

Calendar No. 426

104<sup>TH</sup> CONGRESS  
2<sup>D</sup> Session  
**S. 1823**

**A BILL**

To restore the American family, enhance support and work opportunities for families with children, reduce out-of-wedlock pregnancies, reduce welfare dependence by requiring work, control welfare spending, and increase State flexibility.

MAY 24, 1996

Read twice and ordered placed on the calendar

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IN THE SENATE OF THE UNITED STATES

MAY 24, 1996

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To restore the American family, enhance support and work opportunities for families with children, reduce out-of-wedlock pregnancies, reduce welfare dependence by requiring work, control welfare spending, and increase State flexibility.

1        *Be it enacted by the Senate and House of Representa-*  
 2        *tives of the United States of America in Congress assembled,*

3        **SECTION 1. SHORT TITLE.**

4        This Act may be cited as the “Personal Responsibility  
 5        and Work Opportunity Act of 1996”.

6        **SEC. 2. TABLE OF CONTENTS.**

7        The table of contents of this Act is as follows:

TITLE I—BLOCK GRANTS FOR TEMPORARY ASSISTANCE FOR  
NEEDY FAMILIES

- Sec. 101. Findings.
- Sec. 102. Reference to Social Security Act.
- Sec. 103. Block grants to States.
- Sec. 104. Services provided by charitable, religious, or private organizations.
- Sec. 105. Census data on grandparents as primary caregivers for their grand-  
children.
- Sec. 106. Report on data processing.
- Sec. 107. Study on alternative outcomes measures.
- Sec. 108. Conforming amendments to the Social Security Act.
- Sec. 109. Conforming amendments to the Food Stamp Act of 1977 and related  
provisions.
- Sec. 110. Conforming amendments to other laws.
- Sec. 111. Development of prototype of counterfeit-resistant social security card  
required.
- Sec. 112. Disclosure of receipt of Federal funds.
- Sec. 113. Modifications to the job opportunities for certain low-income individ-  
uals program.
- Sec. 114. Secretarial submission of legislative proposal for technical and con-  
forming amendments.
- Sec. 115. Effective date; transition rule.

TITLE II—SUPPLEMENTAL SECURITY INCOME

- Sec. 200. Reference to Social Security Act.

Subtitle A—Eligibility Restrictions

- Sec. 201. Denial of SSI benefits for 10 years to individuals found to have  
fraudulently misrepresented residence in order to obtain bene-  
fits simultaneously in 2 or more States.
- Sec. 202. Denial of SSI benefits for fugitive felons and probation and parole  
violators.
- Sec. 203. Treatment of prisoners.
- Sec. 204. Effective date of application for benefits.

Subtitle B—Benefits for Disabled Children

- Sec. 211. Definition and eligibility rules.

- Sec. 212. Eligibility redeterminations and continuing disability reviews.
- Sec. 213. Additional accountability requirements.
- Sec. 214. Reduction in cash benefits payable to institutionalized individuals whose medical costs are covered by private insurance.
- Sec. 215. Installment payment of large past-due supplemental security income benefits.
- Sec. 216. Recovery of supplemental security income overpayments from social security benefits.
- Sec. 217. Regulations.

#### Subtitle C—State Supplementation Programs

- Sec. 221. Repeal of maintenance of effort requirements applicable to optional State programs for supplementation of SSI benefits.

#### Subtitle D—Studies Regarding Supplemental Security Income Program

- Sec. 231. Annual report on the supplemental security income program.
- Sec. 232. Study of disability determination process.
- Sec. 233. Study by General Accounting Office.

#### Subtitle E—National Commission on the Future of Disability

- Sec. 241. Establishment.
- Sec. 242. Duties of the Commission.
- Sec. 243. Membership.
- Sec. 244. Staff and support services.
- Sec. 245. Powers of Commission.
- Sec. 246. Reports.
- Sec. 247. Termination.
- Sec. 248. Authorization of appropriations.

#### Subtitle F—Retirement Age Eligibility

- Sec. 251. Eligibility for supplemental security income benefits based on social security retirement age.

### TITLE III—CHILD SUPPORT

- Sec. 300. Reference to Social Security Act.

#### Subtitle A—Eligibility for Services; Distribution of Payments

- Sec. 301. State obligation to provide child support enforcement services.
- Sec. 302. Distribution of child support collections.
- Sec. 303. Privacy safeguards.
- Sec. 304. Rights to notification of hearings.

#### Subtitle B—Locate and Case Tracking

- Sec. 311. State case registry.
- Sec. 312. Collection and disbursement of support payments.
- Sec. 313. State directory of new hires.
- Sec. 314. Amendments concerning income withholding.
- Sec. 315. Locator information from interstate networks.
- Sec. 316. Expansion of the Federal parent locator service.
- Sec. 317. Collection and use of social security numbers for use in child support enforcement.

### Subtitle C—Streamlining and Uniformity of Procedures

- Sec. 321. Adoption of uniform State laws.
- Sec. 322. Improvements to full faith and credit for child support orders.
- Sec. 323. Administrative enforcement in interstate cases.
- Sec. 324. Use of forms in interstate enforcement.
- Sec. 325. State laws providing expedited procedures.

### Subtitle D—Paternity Establishment

- Sec. 331. State laws concerning paternity establishment.
- Sec. 332. Outreach for voluntary paternity establishment.
- Sec. 333. Cooperation by applicants for and recipients of part A assistance.

### Subtitle E—Program Administration and Funding

- Sec. 341. Performance-based incentives and penalties.
- Sec. 342. Federal and State reviews and audits.
- Sec. 343. Required reporting procedures.
- Sec. 344. Automated data processing requirements.
- Sec. 345. Technical assistance.
- Sec. 346. Reports and data collection by the secretary.

### Subtitle F—Establishment and Modification of Support Orders

- Sec. 351. Simplified process for review and adjustment of child support orders.
- Sec. 352. Furnishing consumer reports for certain purposes relating to child support.
- Sec. 353. Nonliability for financial institutions providing financial records to State child support enforcement agencies in child support cases.

### Subtitle G—Enforcement of Support Orders

- Sec. 361. Internal Revenue Service collection of arrearages.
- Sec. 362. Authority to collect support from Federal employees.
- Sec. 363. Enforcement of child support obligations of members of the Armed Forces.
- Sec. 364. Voiding of fraudulent transfers.
- Sec. 365. Work requirement for persons owing past-due child support.
- Sec. 366. Definition of support order.
- Sec. 367. Reporting arrearages to credit bureaus.
- Sec. 368. Liens.
- Sec. 369. State law authorizing suspension of licenses.
- Sec. 370. Denial of passports for nonpayment of child support.
- Sec. 371. International support enforcement.
- Sec. 372. Financial institution data matches.
- Sec. 373. Enforcement of orders against paternal or maternal grandparents in cases of minor parents.
- Sec. 374. Nondischargeability in bankruptcy of certain debts for the support of a child.

### Subtitle H—Medical Support

- Sec. 376. Correction to ERISA definition of medical child support order.
- Sec. 377. Enforcement of orders for health care coverage.

Subtitle I—Enhancing Responsibility and Opportunity for Non-Residential Parents

Sec. 381. Grants to States for access and visitation programs.

Subtitle J—Effective Dates and Conforming Amendments

Sec. 391. Effective dates and conforming amendments.

TITLE IV—RESTRICTING WELFARE AND PUBLIC BENEFITS FOR ALIENS

Sec. 400. Statements of national policy concerning welfare and immigration.

Subtitle A—Eligibility for Federal Benefits

Sec. 401. Aliens who are not qualified aliens ineligible for Federal public benefits.

Sec. 402. Limited eligibility of qualified aliens for certain Federal programs.

Sec. 403. Five-year limited eligibility of qualified aliens for Federal means-tested public benefit.

Sec. 404. Notification and information reporting.

Subtitle B—Eligibility for State and Local Public Benefits Programs

Sec. 411. Aliens who are not qualified aliens or nonimmigrants ineligible for State and local public benefits.

Sec. 412. State authority to limit eligibility of qualified aliens for State public benefits.

Subtitle C—Attribution of Income and Affidavits of Support

Sec. 421. Federal attribution of sponsor's income and resources to alien.

Sec. 422. Authority for States to provide for attribution of sponsors income and resources to the alien with respect to State programs.

Sec. 423. Requirements for sponsor's affidavit of support.

Sec. 424. Cosignature of alien student loans.

Subtitle D—General Provisions

Sec. 431. Definitions.

Sec. 432. Verification of eligibility for Federal public benefits.

Sec. 433. Statutory construction.

Sec. 434. Communication between State and local government agencies and the Immigration and Naturalization Service.

Sec. 435. Qualifying quarters.

Subtitle E—Conforming Amendments

Sec. 441. Conforming amendments relating to assisted housing.

TITLE V—REDUCTIONS IN FEDERAL GOVERNMENT POSITIONS

Sec. 501. Reductions.

Sec. 502. Reductions in Federal bureaucracy.

Sec. 503. Reducing personnel in Washington, D.C. area.

TITLE VI—REFORM OF PUBLIC HOUSING

Sec. 601. Failure to comply with other welfare and public assistance programs.

- Sec. 602. Fraud under means-tested welfare and public assistance programs.
- Sec. 603. Effective date.

## TITLE VII—CHILD PROTECTION BLOCK GRANT PROGRAMS AND FOSTER CARE, ADOPTION ASSISTANCE, AND INDEPENDENT LIVING PROGRAMS

### Subtitle A—Child Protection Block Grant Program and Foster Care, Adoption Assistance, and Independent Living Programs

#### CHAPTER 1—BLOCK GRANTS TO STATES FOR THE PROTECTION OF CHILDREN

- Sec. 701. Establishment of program.
- Sec. 702. Conforming amendments.

#### CHAPTER 2—FOSTER CARE, ADOPTION ASSISTANCE, AND INDEPENDENT LIVING PROGRAMS

- Sec. 711. Conforming amendments to part E of title IV.

#### CHAPTER 3—MISCELLANEOUS

- Sec. 731. Secretarial submission of legislative proposal for technical and conforming amendments.
- Sec. 732. Sense of the Congress regarding timely adoption of children.
- Sec. 733. Effective date; transition rules.

### Subtitle B—Child and Family Services Block Grant

- Sec. 751. Child and Family Services Block Grant.
- Sec. 752. Reauthorizations.
- Sec. 753. Repeals.

## TITLE VIII—CHILD CARE

- Sec. 801. Short title and references.
- Sec. 802. Goals.
- Sec. 803. Authorization of appropriations and entitlement authority.
- Sec. 804. Lead agency.
- Sec. 805. Application and plan.
- Sec. 806. Limitation on State allotments.
- Sec. 807. Activities to improve the quality of child care.
- Sec. 808. Repeal of early childhood development and before- and after-school care requirement.
- Sec. 809. Administration and enforcement.
- Sec. 810. Payments.
- Sec. 811. Annual report and audits.
- Sec. 812. Report by the Secretary.
- Sec. 813. Allotments.
- Sec. 814. Definitions.
- Sec. 815. Repeals.
- Sec. 816. Effective date.

## TITLE IX—CHILD NUTRITION PROGRAMS

### Subtitle A—National School Lunch Act

- Sec. 901. State disbursement to schools.
- Sec. 902. Nutritional and other program requirements.
- Sec. 903. Free and reduced price policy statement.
- Sec. 904. Special assistance.
- Sec. 905. Miscellaneous provisions and definitions.
- Sec. 906. Summer food service program for children.
- Sec. 907. Commodity distribution.
- Sec. 908. Child care food program.
- Sec. 909. Pilot projects.
- Sec. 910. Reduction of paperwork.
- Sec. 911. Information on income eligibility.
- Sec. 912. Nutrition guidance for child nutrition programs.
- Sec. 913. Information clearinghouse.

#### Subtitle B—Child Nutrition Act of 1966

- Sec. 921. Special milk program.
- Sec. 922. Free and reduced price policy statement.
- Sec. 923. School breakfast program authorization.
- Sec. 924. State administrative expenses.
- Sec. 925. Regulations.
- Sec. 926. Prohibitions.
- Sec. 927. Miscellaneous provisions and definitions.
- Sec. 928. Accounts and records.
- Sec. 929. Special supplemental nutrition program for women, infants, and children.
- Sec. 930. Cash grants for nutrition education.
- Sec. 931. Nutrition education and training.
- Sec. 932. Breastfeeding promotion program.

### TITLE X—FOOD STAMPS AND COMMODITY DISTRIBUTION

- Sec. 1001. Short title.

#### Subtitle A—Food Stamp Program

- Sec. 1011. Definition of certification period.
- Sec. 1012. Definition of coupon.
- Sec. 1013. Treatment of children living at home.
- Sec. 1014. Optional additional criteria for separate household determinations.
- Sec. 1015. Adjustment of thrifty food plan.
- Sec. 1016. Definition of homeless individual.
- Sec. 1017. State option for eligibility standards.
- Sec. 1018. Earnings of students.
- Sec. 1019. Energy assistance.
- Sec. 1020. Deductions from income.
- Sec. 1021. Vehicle allowance.
- Sec. 1022. Vendor payments for transitional housing counted as income.
- Sec. 1023. Doubled penalties for violating food stamp program requirements.
- Sec. 1024. Disqualification of convicted individuals.
- Sec. 1025. Disqualification.
- Sec. 1026. Caretaker exemption.
- Sec. 1027. Employment and training.
- Sec. 1028. Comparable treatment for disqualification.
- Sec. 1029. Disqualification for receipt of multiple food stamp benefits.
- Sec. 1030. Disqualification of fleeing felons.



- Sec. 1031. Cooperation with child support agencies.
- Sec. 1032. Disqualification relating to child support arrears.
- Sec. 1033. Work requirement.
- Sec. 1034. Encourage electronic benefit transfer systems.
- Sec. 1035. Value of minimum allotment.
- Sec. 1036. Benefits on recertification.
- Sec. 1037. Optional combined allotment for expedited households.
- Sec. 1038. Failure to comply with other means-tested public assistance programs.
- Sec. 1039. Allotments for households residing in centers.
- Sec. 1040. Condition precedent for approval of retail food stores and wholesale food concerns.
- Sec. 1041. Authority to establish authorization periods.
- Sec. 1042. Information for verifying eligibility for authorization.
- Sec. 1043. Waiting period for stores that fail to meet authorization criteria.
- Sec. 1044. Operation of food stamp offices.
- Sec. 1045. State employee and training standards.
- Sec. 1046. Exchange of law enforcement information.
- Sec. 1047. Expedited coupon service.
- Sec. 1048. Withdrawing fair hearing requests.
- Sec. 1049. Income, eligibility, and immigration status verification systems.
- Sec. 1050. Disqualification of retailers who intentionally submit falsified applications.
- Sec. 1051. Disqualification of retailers who are disqualified under the WIC program.
- Sec. 1052. Collection of overissuances.
- Sec. 1053. Authority to suspend stores violating program requirements pending administrative and judicial review.
- Sec. 1054. Expanded criminal forfeiture for violations.
- Sec. 1055. Limitation of Federal match.
- Sec. 1056. Standards for administration.
- Sec. 1057. Work supplementation or support program.
- Sec. 1058. Waiver authority.
- Sec. 1059. Authorization of pilot projects.
- Sec. 1060. Response to waivers.
- Sec. 1061. Employment initiatives program.
- Sec. 1062. Reauthorization.
- Sec. 1063. Simplified food stamp program.
- Sec. 1064. State food assistance block grant.

#### Subtitle B—Commodity Distribution Programs

- Sec. 1071. Emergency food assistance program.
- Sec. 1072. Food bank demonstration project.
- Sec. 1073. Hunger prevention programs.
- Sec. 1074. Report on entitlement commodity processing.

#### TITLE XI—MISCELLANEOUS

- Sec. 1101. Expenditure of Federal funds in accordance with laws and procedures applicable to expenditure of State funds.
- Sec. 1102. Elimination of housing assistance with respect to fugitive felons and probation and parole violators.
- Sec. 1103. Sense of the Senate regarding enterprise zones.
- Sec. 1104. Sense of the Senate regarding the inability of the non-custodial parent to pay child support.

Sec. 1105. Food stamp eligibility.

Sec. 1106. Establishing national goals to prevent teenage pregnancies.

Sec. 1107. Sense of the Senate regarding enforcement of statutory rape laws.

Sec. 1108. Sanctioning for testing positive for controlled substances.

Sec. 1109. Abstinence education.

Sec. 1110. Provisions to encourage electronic benefit transfer systems.

Sec. 1111. Reduction in block grants to States for social services.

# 1 **TITLE I—BLOCK GRANTS FOR** 2 **TEMPORARY ASSISTANCE** 3 **FOR NEEDY FAMILIES**

## 4 **SEC. 101. FINDINGS.**

5 The Congress makes the following findings:

6 (1) Marriage is the foundation of a successful  
7 society.

8 (2) Marriage is an essential institution of a suc-  
9 cessful society which promotes the interests of chil-  
10 dren.

11 (3) Promotion of responsible fatherhood and  
12 motherhood is integral to successful child rearing  
13 and the well-being of children.

14 (4) In 1992, only 54 percent of single-parent  
15 families with children had a child support order es-  
16 tablished and, of that 54 percent, only about one-  
17 half received the full amount due. Of the cases en-  
18 forced through the public child support enforcement  
19 system, only 18 percent of the caseload has a collec-  
20 tion.

21 (5) The number of individuals receiving aid to  
22 families with dependent children (in this section re-

1       ferred to as “AFDC”) has more than tripled since  
2       1965. More than two-thirds of these recipients are  
3       children. Eighty-nine percent of children receiving  
4       AFDC benefits now live in homes in which no father  
5       is present.

6               (A)(i) The average monthly number of  
7       children receiving AFDC benefits—

8                       (I) was 3,300,000 in 1965;

9                       (II) was 6,200,000 in 1970;

10                      (III) was 7,400,000 in 1980; and

11                      (IV) was 9,300,000 in 1992.

12               (ii) While the number of children receiving  
13       AFDC benefits increased nearly threefold be-  
14       tween 1965 and 1992, the total number of chil-  
15       dren in the United States aged 0 to 18 has de-  
16       clined by 5.5 percent.

17               (B) The Department of Health and  
18       Human Services has estimated that 12,000,000  
19       children will receive AFDC benefits within 10  
20       years.

21               (C) The increase in the number of children  
22       receiving public assistance is closely related to  
23       the increase in births to unmarried women. Be-  
24       tween 1970 and 1991, the percentage of live

1           births to unmarried women increased nearly  
2           threefold, from 10.7 percent to 29.5 percent.

3           (6) The increase of out-of-wedlock pregnancies  
4           and births is well documented as follows:

5                   (A) It is estimated that the rate of non-  
6           marital teen pregnancy rose 23 percent from 54  
7           pregnancies per 1,000 unmarried teenagers in  
8           1976 to 66.7 pregnancies in 1991. The overall  
9           rate of nonmarital pregnancy rose 14 percent  
10          from 90.8 pregnancies per 1,000 unmarried  
11          women in 1980 to 103 in both 1991 and 1992.  
12          In contrast, the overall pregnancy rate for mar-  
13          ried couples decreased 7.3 percent between  
14          1980 and 1991, from 126.9 pregnancies per  
15          1,000 married women in 1980 to 117.6 preg-  
16          nancies in 1991.

17                  (B) The total of all out-of-wedlock births  
18          between 1970 and 1991 has risen from 10.7  
19          percent to 29.5 percent and if the current trend  
20          continues, 50 percent of all births by the year  
21          2015 will be out-of-wedlock.

22           (7) The negative consequences of an out-of-wed-  
23          lock birth on the mother, the child, the family, and  
24          society are well documented as follows:

1 (A) Young women 17 and under who give  
2 birth outside of marriage are more likely to go  
3 on public assistance and to spend more years  
4 on welfare once enrolled. These combined ef-  
5 fects of “younger and longer” increase total  
6 AFDC costs per household by 25 percent to 30  
7 percent for 17-year-olds.

8 (B) Children born out-of-wedlock have a  
9 substantially higher risk of being born at a very  
10 low or moderately low birth weight.

11 (C) Children born out-of-wedlock are more  
12 likely to experience low verbal cognitive attain-  
13 ment, as well as more child abuse, and neglect.

14 (D) Children born out-of-wedlock were  
15 more likely to have lower cognitive scores, lower  
16 educational aspirations, and a greater likelihood  
17 of becoming teenage parents themselves.

18 (E) Being born out-of-wedlock significantly  
19 reduces the chances of the child growing up to  
20 have an intact marriage.

21 (F) Children born out-of-wedlock are 3  
22 times more likely to be on welfare when they  
23 grow up.

24 (8) Currently 35 percent of children in single-  
25 parent homes were born out-of-wedlock, nearly the

1 same percentage as that of children in single-parent  
2 homes whose parents are divorced (37 percent).  
3 While many parents find themselves, through divorce  
4 or tragic circumstances beyond their control, facing  
5 the difficult task of raising children alone, neverthe-  
6 less, the negative consequences of raising children in  
7 single-parent homes are well documented as follows:

8 (A) Only 9 percent of married-couple fami-  
9 lies with children under 18 years of age have  
10 income below the national poverty level. In con-  
11 trast, 46 percent of female-headed households  
12 with children under 18 years of age are below  
13 the national poverty level.

14 (B) Among single-parent families, nearly  
15  $\frac{1}{2}$  of the mothers who never married received  
16 AFDC while only  $\frac{1}{5}$  of divorced mothers re-  
17 ceived AFDC.

18 (C) Children born into families receiving  
19 welfare assistance are 3 times more likely to be  
20 on welfare when they reach adulthood than chil-  
21 dren not born into families receiving welfare.

22 (D) Mothers under 20 years of age are at  
23 the greatest risk of bearing low-birth-weight ba-  
24 bies.

1           (E) The younger the single parent mother,  
2           the less likely she is to finish high school.

3           (F) Young women who have children be-  
4           fore finishing high school are more likely to re-  
5           ceive welfare assistance for a longer period of  
6           time.

7           (G) Between 1985 and 1990, the public  
8           cost of births to teenage mothers under the aid  
9           to families with dependent children program,  
10          the food stamp program, and the medicaid pro-  
11          gram has been estimated at \$120,000,000,000.

12          (H) The absence of a father in the life of  
13          a child has a negative effect on school perform-  
14          ance and peer adjustment.

15          (I) Children of teenage single parents have  
16          lower cognitive scores, lower educational aspira-  
17          tions, and a greater likelihood of becoming teen-  
18          age parents themselves.

19          (J) Children of single-parent homes are 3  
20          times more likely to fail and repeat a year in  
21          grade school than are children from intact 2-  
22          parent families.

23          (K) Children from single-parent homes are  
24          almost 4 times more likely to be expelled or sus-  
25          pended from school.

1           (L) Neighborhoods with larger percentages  
2           of youth aged 12 through 20 and areas with  
3           higher percentages of single-parent households  
4           have higher rates of violent crime.

5           (M) Of those youth held for criminal of-  
6           fenses within the State juvenile justice system,  
7           only 29.8 percent lived primarily in a home with  
8           both parents. In contrast to these incarcerated  
9           youth, 73.9 percent of the 62,800,000 children  
10          in the Nation's resident population were living  
11          with both parents.

12          (9) Therefore, in light of this demonstration of  
13          the crisis in our Nation, it is the sense of the Con-  
14          gress that prevention of out-of-wedlock pregnancy  
15          and reduction in out-of-wedlock birth are very im-  
16          portant Government interests and the policy con-  
17          tained in part A of title IV of the Social Security  
18          Act (as amended by section 103(a) of this Act) is in-  
19          tended to address the crisis.

20   **SEC. 102. REFERENCE TO SOCIAL SECURITY ACT.**

21          Except as otherwise specifically provided, wherever in  
22          this title an amendment is expressed in terms of an  
23          amendment to or repeal of a section or other provision,  
24          the reference shall be considered to be made to that sec-  
25          tion or other provision of the Social Security Act.



1 **SEC. 103. BLOCK GRANTS TO STATES.**

2 (a) IN GENERAL.—Part A of title IV (42 U.S.C. 601  
3 et seq.) is amended to read as follows:

4 **“PART A—BLOCK GRANTS TO STATES FOR**  
5 **TEMPORARY ASSISTANCE FOR NEEDY FAMILIES**

6 **“SEC. 401. PURPOSE.**

7 “(a) IN GENERAL.—The purpose of this part is to  
8 increase the flexibility of States in operating a program  
9 designed to—

10 “(1) provide assistance to needy families so that  
11 children may be cared for in their own homes or in  
12 the homes of relatives;

13 “(2) end the dependence of needy parents on  
14 government benefits by promoting job preparation,  
15 work, and marriage;

16 “(3) prevent and reduce the incidence of out-of-  
17 wedlock pregnancies and establish annual numerical  
18 goals for preventing and reducing the incidence of  
19 these pregnancies; and

20 “(4) encourage the formation and maintenance  
21 of two-parent families.

22 “(b) NO INDIVIDUAL ENTITLEMENT.—This part  
23 shall not be interpreted to entitle any individual or family  
24 to assistance under any State program funded under this  
25 part.

1 **“SEC. 402. ELIGIBLE STATES; STATE PLAN.**

2 “(a) IN GENERAL.—As used in this part, the term  
3 ‘eligible State’ means, with respect to a fiscal year, a State  
4 that, during the 2-year period immediately preceding the  
5 fiscal year, has submitted to the Secretary a plan that in-  
6 cludes the following:

7 “(1) OUTLINE OF FAMILY ASSISTANCE PRO-  
8 GRAM.—

9 “(A) GENERAL PROVISIONS.—A written  
10 document that outlines how the State intends to  
11 do the following:

12 “(i) Conduct a program, designed to  
13 serve all political subdivisions in the State  
14 (not necessarily in a uniform manner),  
15 that provides assistance to needy families  
16 with (or expecting) children and provides  
17 parents with job preparation, work, and  
18 support services to enable them to leave  
19 the program and become self-sufficient.

20 “(ii) Require a parent or caretaker re-  
21 ceiving assistance under the program to  
22 engage in work (as defined by the State)  
23 once the State determines the parent or  
24 caretaker is ready to engage in work, or  
25 once the parent or caretaker has received  
26 assistance under the program for 24

1 months (whether or not consecutive),  
2 whichever is earlier.

3 “(iii) Ensure that parents and care-  
4 takers receiving assistance under the pro-  
5 gram engage in work activities in accord-  
6 ance with section 407.

7 “(iv) Take such reasonable steps as  
8 the State deems necessary to restrict the  
9 use and disclosure of information about in-  
10 dividuals and families receiving assistance  
11 under the program attributable to funds  
12 provided by the Federal Government.

13 “(v) Establish goals and take action  
14 to prevent and reduce the incidence of out-  
15 of-wedlock pregnancies, with special em-  
16 phasis on teenage pregnancies, and estab-  
17 lish numerical goals for reducing the ille-  
18 gitimacy ratio of the State (as defined in  
19 section 403(a)(2)(B)) for calendar years  
20 1996 through 2005.

21 “(B) SPECIAL PROVISIONS.—

22 “(i) The document shall indicate  
23 whether the State intends to treat families  
24 moving into the State from another State  
25 differently than other families under the

1 program, and if so, how the State intends  
2 to treat such families under the program.

3 “(ii) The document shall indicate  
4 whether the State intends to provide as-  
5 sistance under the program to individuals  
6 who are not citizens of the United States,  
7 and if so, shall include an overview of such  
8 assistance.

9 “(iii) The document shall set forth ob-  
10 jective criteria for the delivery of benefits  
11 and the determination of eligibility and for  
12 fair and equitable treatment, including an  
13 explanation of how the State will provide  
14 opportunities for recipients who have been  
15 adversely affected to be heard in a State  
16 administrative or appeal process.

17 “(2) CERTIFICATION THAT THE STATE WILL  
18 OPERATE A CHILD SUPPORT ENFORCEMENT PRO-  
19 GRAM.—A certification by the chief executive officer  
20 of the State that, during the fiscal year, the State  
21 will operate a child support enforcement program  
22 under the State plan approved under part D.

23 “(3) CERTIFICATION THAT THE STATE WILL  
24 OPERATE A CHILD PROTECTION PROGRAM.—A cer-  
25 tification by the chief executive officer of the State

1 that, during the fiscal year, the State will operate a  
 2 child protection program under the State plan ap-  
 3 proved under part B.

4 “(4) CERTIFICATION OF THE ADMINISTRATION  
 5 OF THE PROGRAM.—A certification by the chief ex-  
 6 ecutive officer of the State specifying which State  
 7 agency or agencies will administer and supervise the  
 8 program referred to in paragraph (1) for the fiscal  
 9 year, which shall include assurances that local gov-  
 10 ernments and private sector organizations—

11 “(A) have been consulted regarding the  
 12 plan and design of welfare services in the State  
 13 so that services are provided in a manner ap-  
 14 propriate to local populations; and

15 “(B) have had at least 45 days to submit  
 16 comments on the plan and the design of such  
 17 services.

18 “(5) CERTIFICATION THAT THE STATE WILL  
 19 PROVIDE INDIANS WITH EQUITABLE ACCESS TO AS-  
 20 SISTANCE.—A certification by the chief executive of-  
 21 ficer of the State that, during the fiscal year, the  
 22 State will provide each Indian who is a member of  
 23 an Indian tribe in the State that does not have a  
 24 tribal family assistance plan approved under section  
 25 412 with equitable access to assistance under the

1 State program funded under this part attributable to  
 2 funds provided by the Federal Government.

3 “(b) PUBLIC AVAILABILITY OF STATE PLAN SUM-  
 4 MARY.—The State shall make available to the public a  
 5 summary of any plan submitted by the State under this  
 6 section.

7 **“SEC. 403. GRANTS TO STATES.**

8 “(a) GRANTS.—

9 “(1) FAMILY ASSISTANCE GRANT.—

10 “(A) IN GENERAL.—Each eligible State  
 11 shall be entitled to receive from the Secretary,  
 12 for each of fiscal years 1996, 1997, 1998,  
 13 1999, 2000, and 2001 a grant in an amount  
 14 equal to the State family assistance grant.

15 “(B) STATE FAMILY ASSISTANCE GRANT  
 16 DEFINED.—As used in this part, the term  
 17 ‘State family assistance grant’ means the great-  
 18 est of—

19 “(i)  $\frac{1}{3}$  of the total amount required  
 20 to be paid to the State under former sec-  
 21 tion 403 (as in effect on September 30,  
 22 1995) for fiscal years 1992, 1993, and  
 23 1994 (other than with respect to amounts  
 24 expended by the State for child care under

1 subsection (g) or (i) of former section 402  
2 (as so in effect));

3 “(ii)(I) the total amount required to  
4 be paid to the State under former section  
5 403 for fiscal year 1994 (other than with  
6 respect to amounts expended by the State  
7 for child care under subsection (g) or (i) of  
8 former section 402 (as so in effect)); plus

9 “(II) an amount equal to 85 percent  
10 of the amount (if any) by which the total  
11 amount required to be paid to the State  
12 under former section 403(a)(5) for emer-  
13 gency assistance for fiscal year 1995 ex-  
14 ceeds the total amount required to be paid  
15 to the State under former section  
16 403(a)(5) for fiscal year 1994, if, during  
17 fiscal year 1994 or 1995, the Secretary ap-  
18 proved under former section 402 an  
19 amendment to the former State plan with  
20 respect to the provision of emergency as-  
21 sistance in the context of family preserva-  
22 tion; or

23 “(iii)  $\frac{4}{3}$  of the total amount required  
24 to be paid to the State under former sec-  
25 tion 403 (as in effect on September 30,

1           1995) for the 1st 3 quarters of fiscal year  
 2           1995 (other than with respect to amounts  
 3           expended by the State under the State  
 4           plan approved under part F (as so in ef-  
 5           fect) or for child care under subsection (g)  
 6           or (i) of former section 402 (as so in ef-  
 7           fect)), plus the total amount required to be  
 8           paid to the State for fiscal year 1995  
 9           under former section 403(l) (as so in ef-  
 10          fect).

11           “(C) TOTAL AMOUNT REQUIRED TO BE  
 12          PAID TO THE STATE UNDER FORMER SECTION  
 13          403 DEFINED.—As used in this part, the term  
 14          ‘total amount required to be paid to the State  
 15          under former section 403’ means, with respect  
 16          to a fiscal year—

17                   “(i) in the case of a State to which  
 18                   section 1108 does not apply, the sum of—

19                           “(I) the Federal share of mainte-  
 20                           nance assistance expenditures for the  
 21                           fiscal year, before reduction pursuant  
 22                           to subparagraph (B) or (C) of section  
 23                           403(b)(2) (as in effect on September  
 24                           30, 1995), as reported by the State on  
 25                           ACF Form 231;



1 “(II) the Federal share of admin-  
2 istrative expenditures (including ad-  
3 ministrative expenditures for the de-  
4 velopment of management information  
5 systems) for the fiscal year, as re-  
6 ported by the State on ACF Form  
7 231;

8 “(III) the Federal share of emer-  
9 gency assistance expenditures for the  
10 fiscal year, as reported by the State  
11 on ACF Form 231;

12 “(IV) the Federal share of ex-  
13 penditures for the fiscal year with re-  
14 spect to child care pursuant to sub-  
15 sections (g) and (i) of former section  
16 402 (as in effect on September 30,  
17 1995), as reported by the State on  
18 ACF Form 231; and

19 “(V) the aggregate amount re-  
20 quired to be paid to the State for the  
21 fiscal year with respect to the State  
22 program operated under part F (as in  
23 effect on September 30, 1995), as de-  
24 termined by the Secretary, including  
25 additional obligations or reductions in

1 obligations made after the close of the  
2 fiscal year; and

3 “(ii) in the case of a State to which  
4 section 1108 applies, the lesser of—

5 “(I) the sum described in clause  
6 (i); or

7 “(II) the total amount certified  
8 by the Secretary under former section  
9 403 (as in effect during the fiscal  
10 year) with respect to the territory.

11 “(D) INFORMATION TO BE USED IN DE-  
12 TERMINING AMOUNTS.—

13 “(i) FOR FISCAL YEARS 1992 AND  
14 1993.—

15 “(I) In determining the amounts  
16 described in subclauses (I) through  
17 (IV) of subparagraph (C)(i) for any  
18 State for each of fiscal years 1992  
19 and 1993, the Secretary shall use in-  
20 formation available as of April 28,  
21 1995.

22 “(II) In determining the amount  
23 described in subparagraph (C)(i)(V)  
24 for any State for each of fiscal years  
25 1992 and 1993, the Secretary shall

1 use information available as of Janu-  
2 ary 6, 1995.

3 “(ii) FOR FISCAL YEAR 1994.—In de-  
4 termining the amounts described in sub-  
5 paragraph (C)(i) for any State for fiscal  
6 year 1994, the Secretary shall use informa-  
7 tion available as of April 28, 1995.

8 “(iii) FOR FISCAL YEAR 1995.—

9 “(I) In determining the amount  
10 described in subparagraph (B)(ii)(II)  
11 for any State for fiscal year 1995, the  
12 Secretary shall use the information  
13 which was reported by the States and  
14 estimates made by the States with re-  
15 spect to emergency assistance expend-  
16 itures and was available as of August  
17 11, 1995.

18 “(II) In determining the amounts  
19 described in subclauses (I) through  
20 (III) of subparagraph (C)(i) for any  
21 State for fiscal year 1995, the Sec-  
22 retary shall use information available  
23 as of October 2, 1995.

24 “(III) In determining the amount  
25 described in subparagraph (C)(i)(IV)

1 for any State for fiscal year 1995, the  
 2 Secretary shall use information avail-  
 3 able as of February 28, 1996.

4 “(IV) In determining the amount  
 5 described in subparagraph (C)(i)(V)  
 6 for any State for fiscal year 1995, the  
 7 Secretary shall use information avail-  
 8 able as of October 5, 1995.

9 “(E) APPROPRIATION.—Out of any money  
 10 in the Treasury of the United States not other-  
 11 wise appropriated, there are appropriated for  
 12 fiscal years 1996, 1997, 1998, 1999, 2000, and  
 13 2001 such sums as are necessary for grants  
 14 under this paragraph.

15 “(2) GRANT TO REWARD STATES THAT REDUCE  
 16 OUT-OF-WEDLOCK BIRTHS.—

17 “(A) IN GENERAL.—Each eligible State  
 18 shall be entitled to receive from the Secretary  
 19 for fiscal year 1998 or any succeeding fiscal  
 20 year, a grant in an amount equal to the State  
 21 family assistance grant multiplied by—

22 “(i) 5 percent if—

23 “(I) the illegitimacy ratio of the  
 24 State for the fiscal year is at least 1  
 25 percentage point lower than the ille-

1                   gitimacy ratio of the State for fiscal  
2                   year 1995; and

3                   “(II) the rate of induced preg-  
4                   nancy terminations in the State for  
5                   the fiscal year is less than the rate of  
6                   induced pregnancy terminations in the  
7                   State for fiscal year 1995; or

8                   “(ii) 10 percent if—

9                   “(I) the illegitimacy ratio of the  
10                  State for the fiscal year is at least 2  
11                  percentage points lower than the ille-  
12                  gitimacy ratio of the State for fiscal  
13                  year 1995; and

14                  “(II) the rate of induced preg-  
15                  nancy terminations in the State for  
16                  the fiscal year is less than the rate of  
17                  induced pregnancy terminations in the  
18                  State for fiscal year 1995.

19                  “(B) ILLEGITIMACY RATIO.—As used in  
20                  this paragraph, the term ‘illegitimacy ratio’  
21                  means, with respect to a State and a fiscal  
22                  year—

23                  “(i) the number of out-of-wedlock  
24                  births that occurred in the State during

1 the most recent fiscal year for which such  
2 information is available; divided by

3 “(ii) the number of births that oc-  
4 curred in the State during the most recent  
5 fiscal year for which such information is  
6 available.

7 “(C) DISREGARD OF CHANGES IN DATA  
8 DUE TO CHANGED REPORTING METHODS.—For  
9 purposes of subparagraph (A), the Secretary  
10 shall disregard—

11 “(i) any difference between the illegit-  
12 imacy ratio of a State for a fiscal year and  
13 the illegitimacy ratio of the State for fiscal  
14 year 1995 which is attributable to a  
15 change in State methods of reporting data  
16 used to calculate the illegitimacy ratio; and

17 “(ii) any difference between the rate  
18 of induced pregnancy terminations in a  
19 State for a fiscal year and such rate for  
20 fiscal year 1995 which is attributable to a  
21 change in State methods of reporting data  
22 used to calculate such rate.

23 “(D) APPROPRIATION.—Out of any money  
24 in the Treasury of the United States not other-  
25 wise appropriated, there are appropriated for

1           fiscal year 1998 and for each succeeding fiscal  
 2           year such sums as are necessary for grants  
 3           under this paragraph.

4           “(3) SUPPLEMENTAL GRANT FOR POPULATION  
 5           INCREASES IN CERTAIN STATES.—

6                   “(A) IN GENERAL.—Each qualifying State  
 7           shall, subject to subparagraph (F), be entitled  
 8           to receive from the Secretary—

9                           “(i) for fiscal year 1997 a grant in an  
 10           amount equal to 2.5 percent of the total  
 11           amount required to be paid to the State  
 12           under former section 403 (as in effect dur-  
 13           ing fiscal year 1994) for fiscal year 1994;  
 14           and

15                          “(ii) for each of fiscal years 1998,  
 16           1999, and 2000, a grant in an amount  
 17           equal to the sum of—

18                                  “(I) the amount (if any) required  
 19           to be paid to the State under this  
 20           paragraph for the immediately preced-  
 21           ing fiscal year; and

22                                  “(II) 2.5 percent of the sum of—

23    “(aa) the total amount re-  
 24           quired to be paid to the State  
 25           under former section 403 (as in

1 effect during fiscal year 1994)  
 2 for fiscal year 1994; and  
 3 “(bb) the amount (if any)  
 4 required to be paid to the State  
 5 under this paragraph for the fis-  
 6 cal year preceding the fiscal year  
 7 for which the grant is to be  
 8 made.

9 “(B) PRESERVATION OF GRANT WITHOUT  
 10 INCREASES FOR STATES FAILING TO REMAIN  
 11 QUALIFYING STATES.—Each State that is not a  
 12 qualifying State for a fiscal year specified in  
 13 subparagraph (A)(ii) but was a qualifying State  
 14 for a prior fiscal year shall, subject to subpara-  
 15 graph (F), be entitled to receive from the Sec-  
 16 retary for the specified fiscal year, a grant in  
 17 an amount equal to the amount required to be  
 18 paid to the State under this paragraph for the  
 19 most recent fiscal year for which the State was  
 20 a qualifying State.

21 “(C) QUALIFYING STATE.—

22 “(i) IN GENERAL.—For purposes of  
 23 this paragraph, a State is a qualifying  
 24 State for a fiscal year if—



1                   “(I) the level of welfare spending  
 2                   per poor person by the State for the  
 3                   immediately preceding fiscal year is  
 4                   less than the national average level of  
 5                   State welfare spending per poor per-  
 6                   son for such preceding fiscal year; and

7                   “(II) the population growth rate  
 8                   of the State (as determined by the  
 9                   Bureau of the Census) for the most  
 10                  recent fiscal year for which informa-  
 11                  tion is available exceeds the average  
 12                  population growth rate for all States  
 13                  (as so determined) for such most re-  
 14                  cent fiscal year.

15                  “(ii) STATE MUST QUALIFY IN FISCAL  
 16                  YEAR 1997.—Notwithstanding clause (i), a  
 17                  State shall not be a qualifying State for  
 18                  any fiscal year after 1997 by reason of  
 19                  clause (i) if the State is not a qualifying  
 20                  State for fiscal year 1997 by reason of  
 21                  clause (i).

22                  “(iii) CERTAIN STATES DEEMED  
 23                  QUALIFYING STATES.—For purposes of  
 24                  this paragraph, a State is deemed to be a

qualifying State for fiscal years 1997,  
1998, 1999, and 2000 if—

“(I) the level of welfare spending  
per poor person by the State for fiscal  
year 1996 is less than 35 percent of  
the national average level of State  
welfare spending per poor person for  
fiscal year 1996; or

“(II) the population of the State  
increased by more than 10 percent  
from April 1, 1990 to July 1, 1994,  
according to the population estimates  
in publication CB94-204 of the Bu-  
reau of the Census.

“(D) DEFINITIONS.—As used in this para-  
graph:

“(i) LEVEL OF WELFARE SPENDING  
PER POOR PERSON.—The term ‘level of  
State welfare spending per poor person’  
means, with respect to a State and a fiscal  
year—

“(I) the sum of—

“(aa) the total amount re-  
quired to be paid to the State  
under former section 403 (as in

1 effect during fiscal year 1994)  
 2 for fiscal year 1994; and

3 “(bb) the amount (if any)  
 4 paid to the State under this  
 5 paragraph for the immediately  
 6 preceding fiscal year; divided by

7 “(II) the number of individuals,  
 8 according to the 1990 decennial cen-  
 9 sus, who were residents of the State  
 10 and whose income was below the pov-  
 11 erty line.

12 “(ii) NATIONAL AVERAGE LEVEL OF  
 13 STATE WELFARE SPENDING PER POOR  
 14 PERSON.—The term ‘national average level  
 15 of State welfare spending per poor person’  
 16 means, with respect to a fiscal year, an  
 17 amount equal to—

18 “(I) the total amount required to  
 19 be paid to the States under former  
 20 section 403 (as in effect during fiscal  
 21 year 1994) for fiscal year 1994; di-  
 22 vided by

23 “(II) the number of individuals,  
 24 according to the 1990 decennial cen-  
 25 sus, who were residents of any State

1 and whose income was below the pov-  
2 erty line.

3 “(iii) STATE.—The term ‘State’  
4 means each of the 50 States of the United  
5 States and the District of Columbia.

6 “(E) APPROPRIATION.—Out of any money  
7 in the Treasury of the United States not other-  
8 wise appropriated, there are appropriated for  
9 fiscal years 1997, 1998, 1999, and 2000 such  
10 sums as are necessary for grants under this  
11 paragraph, in a total amount not to exceed  
12 \$800,000,000.

13 “(F) GRANTS REDUCED PRO RATA IF IN-  
14 SUFFICIENT APPROPRIATIONS.—If the amount  
15 appropriated pursuant to this paragraph for a  
16 fiscal year is less than the total amount of pay-  
17 ments otherwise required to be made under this  
18 paragraph for the fiscal year, then the amount  
19 otherwise payable to any State for the fiscal  
20 year under this paragraph shall be reduced by  
21 a percentage equal to the amount so appro-  
22 priated divided by such total amount.

23 “(G) BUDGET SCORING.—Notwithstanding  
24 section 257(b)(2) of the Balanced Budget and  
25 Emergency Deficit Control Act of 1985, the

1 baseline shall assume that no grant shall be  
2 made under this paragraph after fiscal year  
3 2000.

4 “(4) BONUS TO REWARD HIGH PERFORMANCE  
5 STATES.—

6 “(A) IN GENERAL.—The Secretary shall  
7 make a grant pursuant to this paragraph to  
8 each State for each bonus year for which the  
9 State is a high performing State.

10 “(B) AMOUNT OF GRANT.—

11 “(i) IN GENERAL.—Subject to clause  
12 (ii) of this subparagraph, the Secretary  
13 shall determine the amount of the grant  
14 payable under this paragraph to a high  
15 performing State for a bonus year, which  
16 shall be based on the score assigned to the  
17 State under subparagraph (D)(i) for the  
18 fiscal year that immediately precedes the  
19 bonus year.

20 “(ii) LIMITATION.—The amount pay-  
21 able to a State under this paragraph for a  
22 bonus year shall not exceed 5 percent of  
23 the State family assistance grant.

24 “(C) FORMULA FOR MEASURING STATE  
25 PERFORMANCE.—Not later than 1 year after

the date of the enactment of the Personal Responsibility and Work Opportunity Act of 1996, the Secretary, in consultation with the National Governors' Association and the American Public Welfare Association, shall develop a formula for measuring State performance in operating the State program funded under this part so as to achieve the goals set forth in section 401(a), based on employment-related criteria which may include such factors as the number of families that become ineligible for assistance under the State program funded under this part as a result of unsubsidized employment and the extent to which the State exceeds the work participation rates required by section 407(a) and may take into account the unemployment conditions of the State.

“(D) SCORING OF STATE PERFORMANCE; SETTING OF PERFORMANCE THRESHOLDS.— For each bonus year, the Secretary shall—

“(i) use the formula developed under subparagraph (C) to assign a score to each eligible State for the fiscal year that immediately precedes the bonus year; and

1 “(ii) prescribe a performance thresh-  
 2 old in such a manner so as to ensure  
 3 that—

4 “(I) the average annual total  
 5 amount of grants to be made under  
 6 this paragraph for each bonus year  
 7 equals \$200,000,000; and

8 “(II) the total amount of grants  
 9 to be made under this paragraph for  
 10 all bonus years equals  
 11 \$1,000,000,000.

12 “(E) DEFINITIONS.—As used in this para-  
 13 graph:

14 “(i) BONUS YEAR.—The term ‘bonus  
 15 year’ means fiscal years 1999, 2000, 2001,  
 16 2002, and 2003.

17 “(ii) HIGH PERFORMING STATE.—The  
 18 term ‘high performing State’ means, with  
 19 respect to a bonus year, an eligible State  
 20 whose score assigned pursuant to subpara-  
 21 graph (D)(i) for the fiscal year imme-  
 22 diately preceding the bonus year equals or  
 23 exceeds the performance threshold pre-  
 24 scribed under subparagraph (D)(ii) for  
 25 such preceding fiscal year.

1           “(F) APPROPRIATION.—Out of any money  
2           in the Treasury of the United States not other-  
3           wise appropriated, there are appropriated for  
4           fiscal years 1999 through 2003 \$1,000,000,000  
5           for grants under this paragraph.

6           “(b) CONTINGENCY FUND.—

7           “(1) ESTABLISHMENT.—There is hereby estab-  
8           lished in the Treasury of the United States a fund  
9           which shall be known as the ‘Contingency Fund for  
10          State Welfare Programs’ (in this section referred to  
11          as the ‘Fund’).

12          “(2) DEPOSITS INTO FUND.—Out of any money  
13          in the Treasury of the United States not otherwise  
14          appropriated, there are appropriated for fiscal years  
15          1997, 1998, 1999, 2000, and 2001 such sums as are  
16          necessary for payment to the Fund in a total  
17          amount not to exceed \$2,000,000,000.

18          “(3) GRANTS.—

19          “(A) PROVISIONAL PAYMENTS.—If an eli-  
20          gible State submits to the Secretary a request  
21          for funds under this paragraph during an eligi-  
22          ble month, the Secretary shall, subject to this  
23          paragraph, pay to the State, from amounts ap-  
24          propriated pursuant to paragraph (2), an



1 amount equal to the amount of funds so re-  
2 requested.

3 “(B) PAYMENT PRIORITY.—The Secretary  
4 shall make payments under subparagraph (A)  
5 in the order in which the Secretary receives re-  
6 quests for such payments.

7 “(C) LIMITATIONS.—

8 “(i) MONTHLY PAYMENT TO A  
9 STATE.—The total amount paid to a single  
10 State under subparagraph (A) during a  
11 month shall not exceed  $\frac{1}{12}$  of 20 percent  
12 of the State family assistance grant.

13 “(ii) PAYMENTS TO ALL STATES.—  
14 The total amount paid to all States under  
15 subparagraph (A) during fiscal years 1997  
16 through 2001 shall not exceed the total  
17 amount appropriated pursuant to para-  
18 graph (2).

19 “(4) ANNUAL RECONCILIATION.—Notwithstand-  
20 ing paragraph (3), at the end of each fiscal year,  
21 each State shall remit to the Secretary an amount  
22 equal to the amount (if any) by which the total  
23 amount paid to the State under paragraph (3) dur-  
24 ing the fiscal year exceeds—

“(A) the Federal medical assistance percentage for the State for the fiscal year (as defined in section 1905(b), as in effect on September 30, 1995) of the amount (if any) by which the expenditures under the State program funded under this part for the fiscal year exceed historic State expenditures (as defined in section 409(a)(7)(B)(iii)); multiplied by

“(B)  $\frac{1}{12}$  times the number of months during the fiscal year for which the Secretary makes a payment to the State under this subsection.

“(5) ELIGIBLE MONTH.—As used in paragraph (3)(A), the term ‘eligible month’ means, with respect to a State, a month in the 2-month period that begins with any month for which the State is a needy State.

“(6) NEEDY STATE.—For purposes of paragraph (5), a State is a needy State for a month if—

“(A) the average rate of—

“(i) total unemployment in such State (seasonally adjusted) for the period consisting of the most recent 3 months for which data for all States are published equals or exceeds 6.5 percent; and

1                   “(ii) total unemployment in such  
2                   State (seasonally adjusted) for the 3-  
3                   month period equals or exceeds 110 per-  
4                   cent of such average rate for either (or  
5                   both) of the corresponding 3-month periods  
6                   ending in the 2 preceding calendar years;  
7                   or

8                   “(B) as determined by the Secretary of  
9                   Agriculture (in the discretion of the Secretary  
10                  of Agriculture), the monthly average number of  
11                  individuals (as of the last day of each month)  
12                  participating in the food stamp program in the  
13                  State in the then most recently concluded 3-  
14                  month period for which data are available ex-  
15                  ceeds by not less than 10 percent the lesser  
16                  of—

17                  “(i) the monthly average number of  
18                  individuals (as of the last day of each  
19                  month) in the State that would have par-  
20                  ticipated in the food stamp program in the  
21                  corresponding 3-month period in fiscal  
22                  year 1994 if the amendments made by ti-  
23                  tles IV and X of the Personal Responsibil-  
24                  ity and Work Opportunity Act of 1996 had

1           been in effect throughout fiscal year 1994;  
 2           or

3           “(ii) the monthly average number of  
 4           individuals (as of the last day of each  
 5           month) in the State that would have par-  
 6           ticipated in the food stamp program in the  
 7           corresponding 3-month period in fiscal  
 8           year 1995 if the amendments made by ti-  
 9           tles IV and X of the Personal Responsibil-  
 10          ity and Work Opportunity Act of 1996 had  
 11          been in effect throughout fiscal year 1995.

12          “(7) OTHER TERMS DEFINED.—As used in this  
 13          subsection:

14               “(A) STATE.—The term ‘State’ means  
 15               each of the 50 States of the United States and  
 16               the District of Columbia.

17               “(B) SECRETARY.—The term ‘Secretary’  
 18               means the Secretary of the Treasury.

19          “(8) ANNUAL REPORTS.—The Secretary shall  
 20          annually report to the Congress on the status of the  
 21          Fund.

22          “(9) BUDGET SCORING.—Notwithstanding sec-  
 23          tion 257(b)(2) of the Balanced Budget and Emer-  
 24          gency Deficit Control Act of 1985, the baseline shall

1       assume that no grant shall be made under this sub-  
 2       section after fiscal year 2001.

3   **“SEC. 404. USE OF GRANTS.**

4       “(a) GENERAL RULES.—Subject to this part, a State  
 5       to which a grant is made under section 403 may use the  
 6       grant—

7               “(1) in any manner that is reasonably cal-  
 8       culated to accomplish the purpose of this part, in-  
 9       cluding to provide low income households with as-  
 10      sistance in meeting home heating and cooling costs;  
 11      or

12              “(2) in any manner that the State was author-  
 13      ized to use amounts received under part A or F, as  
 14      such parts were in effect on September 30, 1995.

15      “(b) LIMITATION ON USE OF GRANT FOR ADMINIS-  
 16      TRATIVE PURPOSES.—

17              “(1) LIMITATION.—A State to which a grant is  
 18      made under section 403 shall not expend more than  
 19      15 percent of the grant for administrative purposes.

20              “(2) EXCEPTION.—Paragraph (1) shall not  
 21      apply to the use of a grant for information tech-  
 22      nology and computerization needed for tracking or  
 23      monitoring required by or under this part.

24      “(c) AUTHORITY TO TREAT INTERSTATE IMMI-  
 25      GRANTS UNDER RULES OF FORMER STATE.—A State op-

1 erating a program funded under this part may apply to  
 2 a family the rules (including benefit amounts) of the pro-  
 3 gram funded under this part of another State if the family  
 4 has moved to the State from the other State and has re-  
 5 sided in the State for less than 12 months.

6 “(d) AUTHORITY TO USE PORTION OF GRANT FOR  
 7 OTHER PURPOSES.—

8 “(1) IN GENERAL.—A State may use not more  
 9 than 30 percent of the amount of the grant made to  
 10 the State under section 403 for a fiscal year to carry  
 11 out a State program pursuant to any or all of the  
 12 following provisions of law:

13 “(A) Part B or E of this title.

14 “(B) Title XX of this Act.

15 “(C) The Child Care and Development  
 16 Block Grant Act of 1990.

17 “(2) APPLICABLE RULES.—Any amount paid to  
 18 the State under this part that is used to carry out  
 19 a State program pursuant to a provision of law spec-  
 20 ified or described in paragraph (1) shall not be sub-  
 21 ject to the requirements of this part, but shall be  
 22 subject to the requirements that apply to Federal  
 23 funds provided directly under the provision of law to  
 24 carry out the program.

1       “(e) AUTHORITY TO RESERVE CERTAIN AMOUNTS  
 2 FOR ASSISTANCE.—A State may reserve amounts paid to  
 3 the State under this part for any fiscal year for the pur-  
 4 pose of providing, without fiscal year limitation, assistance  
 5 under the State program funded under this part.

6       “(f) AUTHORITY TO OPERATE EMPLOYMENT PLACE-  
 7 MENT PROGRAM.—A State to which a grant is made under  
 8 section 403 may use the grant to make payments (or pro-  
 9 vide job placement vouchers) to State-approved public and  
 10 private job placement agencies that provide employment  
 11 placement services to individuals who receive assistance  
 12 under the State program funded under this part.

13       “(g) IMPLEMENTATION OF ELECTRONIC BENEFIT  
 14 TRANSFER SYSTEM.—A State to which a grant is made  
 15 under section 403 is encouraged to implement an elec-  
 16 tronic benefit transfer system for providing assistance  
 17 under the State program funded under this part, and may  
 18 use the grant for such purpose.

19       **“SEC. 405. ADMINISTRATIVE PROVISIONS.**

20       “(a) QUARTERLY.—The Secretary shall pay each  
 21 grant payable to a State under section 403 in quarterly  
 22 installments.

23       “(b) NOTIFICATION.—Not later than 3 months before  
 24 the payment of any such quarterly installment to a State,  
 25 the Secretary shall notify the State of the amount of any

1 reduction determined under section 412(a)(1)(B) with re-  
2 spect to the State.

3 “(c) COMPUTATION AND CERTIFICATION OF PAY-  
4 MENTS TO STATES.—

5 “(1) COMPUTATION.—The Secretary shall esti-  
6 mate the amount to be paid to each eligible State for  
7 each quarter under this part, such estimate to be  
8 based on a report filed by the State containing an  
9 estimate by the State of the total sum to be ex-  
10 pended by the State in the quarter under the State  
11 program funded under this part and such other in-  
12 formation as the Secretary may find necessary.

13 “(2) CERTIFICATION.—The Secretary of Health  
14 and Human Services shall certify to the Secretary of  
15 the Treasury the amount estimated under paragraph  
16 (1) with respect to a State, reduced or increased to  
17 the extent of any overpayment or underpayment  
18 which the Secretary of Health and Human Services  
19 determines was made under this part to the State  
20 for any prior quarter and with respect to which ad-  
21 justment has not been made under this paragraph.

22 “(d) PAYMENT METHOD.—Upon receipt of a certifi-  
23 cation under subsection (c)(2) with respect to a State, the  
24 Secretary of the Treasury shall, through the Fiscal Service  
25 of the Department of the Treasury and before audit or



1 settlement by the General Accounting Office, pay to the  
2 State, at the time or times fixed by the Secretary of  
3 Health and Human Services, the amount so certified.

4 “(e) COLLECTION OF STATE OVERPAYMENTS TO  
5 FAMILIES FROM FEDERAL TAX REFUNDS.—

6 “(1) IN GENERAL.—Upon receiving notice from  
7 the Secretary of Health and Human Services that a  
8 State agency administering a program funded under  
9 this part has notified the Secretary that a named in-  
10 dividual has been overpaid under the State program  
11 funded under this part, the Secretary of the Treas-  
12 ury shall determine whether any amounts as refunds  
13 of Federal taxes paid are payable to such individual,  
14 regardless of whether the individual filed a tax re-  
15 turn as a married or unmarried individual. If the  
16 Secretary of the Treasury finds that any such  
17 amount is so payable, the Secretary shall withhold  
18 from such refunds an amount equal to the overpay-  
19 ment sought to be collected by the State and pay  
20 such amount to the State agency.

21 “(2) REGULATIONS.—The Secretary of the  
22 Treasury shall issue regulations, after review by the  
23 Secretary of Health and Human services, that pro-  
24 vide—

1           “(A) that a State may only submit under  
2 paragraph (1) requests for collection of over-  
3 payments with respect to individuals—

4               “(i) who are no longer receiving as-  
5 sistance under the State program funded  
6 under this part;

7               “(ii) with respect to whom the State  
8 has already taken appropriate action under  
9 State law against the income or resources  
10 of the individuals or families involved to  
11 collect the past-due legally enforceable  
12 debt; and

13              “(iii) to whom the State agency has  
14 given notice of its intent to request with-  
15 holding by the Secretary of the Treasury  
16 from the income tax refunds of such indi-  
17 viduals;

18           “(B) that the Secretary of the Treasury  
19 will give a timely and appropriate notice to any  
20 other person filing a joint return with the indi-  
21 vidual whose refund is subject to withholding  
22 under paragraph (1); and

23           “(C) the procedures that the State and the  
24 Secretary of the Treasury will follow in carrying  
25 out this subsection which, to the maximum ex-

1           tent feasible and consistent with the provisions  
 2           of this subsection, will be the same as those is-  
 3           sued pursuant to section 464(b) applicable to  
 4           collection of past-due child support.

5   **“SEC. 406. FEDERAL LOANS FOR STATE WELFARE PRO-**  
 6                   **GRAMS.**

7           “(a) LOAN AUTHORITY.—

8                   “(1) IN GENERAL.—The Secretary shall make  
 9           loans to any loan-eligible State, for a period to ma-  
 10          turity of not more than 3 years.

11                   “(2) LOAN-ELIGIBLE STATE.—As used in para-  
 12          graph (1), the term ‘loan-eligible State’ means a  
 13          State against which a penalty has not been imposed  
 14          under section 409(a)(1).

15           “(b) RATE OF INTEREST.—The Secretary shall  
 16          charge and collect interest on any loan made under this  
 17          section at a rate equal to the current average market yield  
 18          on outstanding marketable obligations of the United  
 19          States with remaining periods to maturity comparable to  
 20          the period to maturity of the loan.

21           “(c) USE OF LOAN.—A State shall use a loan made  
 22          to the State under this section only for any purpose for  
 23          which grant amounts received by the State under section  
 24          403(a) may be used, including—

25                   “(1) welfare anti-fraud activities; and

1           “(2) the provision of assistance under the State  
 2           program to Indian families that have moved from  
 3           the service area of an Indian tribe with a tribal fam-  
 4           ily assistance plan approved under section 412.

5           “(d) LIMITATION ON TOTAL AMOUNT OF LOANS TO  
 6 A STATE.—The cumulative dollar amount of all loans  
 7 made to a State under this section during fiscal years  
 8 1997 through 2001 shall not exceed 10 percent of the  
 9 State family assistance grant.

10          “(e) LIMITATION ON TOTAL AMOUNT OF OUTSTAND-  
 11 ING LOANS.—The total dollar amount of loans outstand-  
 12 ing under this section may not exceed \$1,700,000,000.

13          “(f) APPROPRIATION.—Out of any money in the  
 14 Treasury of the United States not otherwise appropriated,  
 15 there are appropriated such sums as may be necessary for  
 16 the cost of loans under this section.

17 **“SEC. 407. MANDATORY WORK REQUIREMENTS.**

18          “(a) PARTICIPATION RATE REQUIREMENTS.—

19           “(1) ALL FAMILIES.—A State to which a grant  
 20 is made under section 403 for a fiscal year shall  
 21 achieve the minimum participation rate specified in  
 22 the following table for the fiscal year with respect to  
 23 all families receiving assistance under the State pro-  
 24 gram funded under this part:

<b>“If the fiscal year is:</b>	<b>The minimum participation rate is:</b>
1996 .....	15
1997 .....	20
1998 .....	25
1999 .....	30
2000 .....	35
2001 .....	40
2002 or thereafter .....	50.

1           “(2) 2-PARENT FAMILIES.—A State to which a  
2           grant is made under section 403 for a fiscal year  
3           shall achieve the minimum participation rate speci-  
4           fied in the following table for the fiscal year with re-  
5           spect to 2-parent families receiving assistance under  
6           the State program funded under this part:

<b>“If the fiscal year is:</b>	<b>The minimum participation rate is:</b>
1996 .....	50
1997 .....	75
1998 .....	75
1999 or thereafter .....	90.

7           “(b) CALCULATION OF PARTICIPATION RATES.—

8           “(1) ALL FAMILIES.—

9           “(A) AVERAGE MONTHLY RATE.—For pur-  
10          poses of subsection (a)(1), the participation  
11          rate for all families of a State for a fiscal year  
12          is the average of the participation rates for all  
13          families of the State for each month in the fis-  
14          cal year.

15          “(B) MONTHLY PARTICIPATION RATES.—

16          The participation rate of a State for all families

1 of the State for a month, expressed as a per-  
 2 centage, is—

3 “(i) the number of families receiving  
 4 assistance under the State program funded  
 5 under this part that include an adult who  
 6 is engaged in work for the month; divided  
 7 by

8 “(ii) the amount by which—

9 “(I) the number of families re-  
 10 ceiving such assistance during the  
 11 month that include an adult receiving  
 12 such assistance; exceeds

13 “(II) the number of families re-  
 14 ceiving such assistance that are sub-  
 15 ject in such month to a penalty de-  
 16 scribed in subsection (e)(1) but have  
 17 not been subject to such penalty for  
 18 more than 3 months within the pre-  
 19 ceding 12-month period (whether or  
 20 not consecutive).

21 “(2) 2-PARENT FAMILIES.—

22 “(A) AVERAGE MONTHLY RATE.—For pur-  
 23 poses of subsection (a)(2), the participation  
 24 rate for 2-parent families of a State for a fiscal  
 25 year is the average of the participation rates for

1           2-parent families of the State for each month in  
2           the fiscal year.

3           “(B) MONTHLY PARTICIPATION RATES.—

4           The participation rate of a State for 2-parent  
5           families of the State for a month shall be cal-  
6           culated by use of the formula set forth in para-  
7           graph (1)(B), except that in the formula the  
8           term ‘number of 2-parent families’ shall be sub-  
9           stituted for the term ‘number of families’ each  
10          place such latter term appears.

11          “(3) PRO RATA REDUCTION OF PARTICIPATION  
12          RATE DUE TO CASELOAD REDUCTIONS NOT RE-  
13          QUIRED BY FEDERAL LAW.—

14          “(A) IN GENERAL.—The Secretary shall  
15          prescribe regulations for reducing the minimum  
16          participation rate otherwise required by this  
17          section for a fiscal year by the number of per-  
18          centage points equal to the number of percent-  
19          age points (if any) by which—

20                 “(i) the number of families receiving  
21                 assistance during the fiscal year under the  
22                 State program funded under this part is  
23                 less than

24                 “(ii) the number of families that re-  
25                 ceived aid under the State plan approved

1 under part A (as in effect on September  
2 30, 1995) during fiscal year 1995.

3 The minimum participation rate shall not be re-  
4 duced to the extent that the Secretary deter-  
5 mines that the reduction in the number of fami-  
6 lies receiving such assistance is required by  
7 Federal law.

8 “(B) ELIGIBILITY CHANGES NOT COUNT-  
9 ED.—The regulations described in subpara-  
10 graph (A) shall not take into account families  
11 that are diverted from a State program funded  
12 under this part as a result of differences in eli-  
13 gibility criteria under a State program funded  
14 under this part and eligibility criteria under the  
15 State program operated under the State plan  
16 approved under part A (as such plan and such  
17 part were in effect on September 30, 1995).  
18 Such regulations shall place the burden on the  
19 Secretary to prove that such families were di-  
20 verted as a direct result of differences in such  
21 eligibility criteria.

22 “(4) STATE OPTION TO INCLUDE INDIVIDUALS  
23 RECEIVING ASSISTANCE UNDER A TRIBAL FAMILY  
24 ASSISTANCE PLAN.—For purposes of paragraphs  
25 (1)(B) and (2)(B), a State may, at its option, in-



1       clude families receiving assistance under a tribal  
2       family assistance plan approved under section 412.

3               “(5) STATE OPTION FOR PARTICIPATION RE-  
4       QUIREMENT EXEMPTIONS.—For any fiscal year, a  
5       State may, at its option, not require an individual  
6       who is a single custodial parent caring for a child  
7       who has not attained 12 months of age to engage in  
8       work and may disregard such an individual in deter-  
9       mining the participation rates under subsection (a).

10       “(c) ENGAGED IN WORK.—

11               “(1) ALL FAMILIES.—For purposes of sub-  
12       section (b)(1)(B)(i), a recipient is engaged in work  
13       for a month in a fiscal year if the recipient is par-  
14       ticipating in work activities for at least the minimum  
15       average number of hours per week specified in the  
16       following table during the month, not fewer than 20  
17       hours per week of which are attributable to an activ-  
18       ity described in paragraph (1), (2), (3), (4), (5), (6),  
19       (7), or (8) of subsection (d):

<b>“If the month is in fiscal year:</b>	<b>The minimum average number of hours per week is:</b>
1996 .....	20
1997 .....	20
1998 .....	20
1999 or thereafter .....	25.

20               “(2) 2-PARENT FAMILIES.—For purposes of  
21       subsection (b)(2)(B)(i), an adult is engaged in work  
22       for a month in a fiscal year if the adult is making

1 progress in work activities for at least 35 hours per  
2 week during the month, not fewer than 30 hours per  
3 week of which are attributable to an activity de-  
4 scribed in paragraph (1), (2), (3), (4), (5), (6), (7),  
5 or (8) of subsection (d).

6 “(3) LIMITATION ON NUMBER OF WEEKS FOR  
7 WHICH JOB SEARCH COUNTS AS WORK.—Notwith-  
8 standing paragraphs (1) and (2), an individual shall  
9 not be considered to be engaged in work by virtue  
10 of participation in an activity described in subsection  
11 (d)(6), after the individual has participated in such  
12 an activity for 12 weeks in a fiscal year. An individ-  
13 ual shall be considered to be participating in such an  
14 activity for a week if the individual participates in  
15 such an activity at any time during the week.

16 “(4) LIMITATION ON VOCATIONAL EDUCATION  
17 ACTIVITIES COUNTED AS WORK.—For purposes of  
18 determining monthly participation rates under para-  
19 graphs (1)(B)(i) and (2)(B)(i) of subsection (b), not  
20 more than 20 percent of adults in all families and  
21 in 2-parent families determined to be engaged in  
22 work in the State for a month may meet the work  
23 activity requirement through participation in voca-  
24 tional educational training.

1           “(5) SINGLE PARENT WITH CHILD UNDER AGE  
 2           6 DEEMED TO BE MEETING WORK PARTICIPATION  
 3           REQUIREMENTS IF PARENT IS ENGAGED IN WORK  
 4           FOR 20 HOURS PER WEEK.—For purposes of deter-  
 5           mining monthly participation rates under subsection  
 6           (b)(1)(B)(i), a recipient in a 1-parent family who is  
 7           the parent of a child who has not attained 6 years  
 8           of age is deemed to be engaged in work for a month  
 9           if the recipient is engaged in work for an average of  
 10          at least 20 hours per week during the month.

11          “(6) TEEN HEAD OF HOUSEHOLD WHO MAIN-  
 12          TAINS SATISFACTORY SCHOOL ATTENDANCE  
 13          DEEMED TO BE MEETING WORK PARTICIPATION RE-  
 14          QUIREMENTS.—For purposes of determining month-  
 15          ly participation rates under subsection (b)(1)(B)(i),  
 16          a recipient who is a single head of household and  
 17          has not attained 20 years of age is deemed to be en-  
 18          gaged in work for a month in a fiscal year if the re-  
 19          cipient—

20               “(A) maintains satisfactory attendance at  
 21               secondary school or the equivalent during the  
 22               month; or

23               “(B) participates in education directly re-  
 24               lated to employment for at least the minimum

1 average number of hours per week specified in  
 2 the table set forth in paragraph (1).

3 “(d) WORK ACTIVITIES DEFINED.—As used in this  
 4 section, the term ‘work activities’ means—

5 “(1) unsubsidized employment;

6 “(2) subsidized private sector employment;

7 “(3) subsidized public sector employment;

8 “(4) work experience (including work associated  
 9 with the refurbishing of publicly assisted housing) if  
 10 sufficient private sector employment is not available;

11 “(5) on-the-job training;

12 “(6) job search and job readiness assistance;

13 “(7) community service programs;

14 “(8) vocational educational training (not to ex-  
 15 ceed 12 months with respect to any individual);

16 “(9) job skills training directly related to em-  
 17 ployment;

18 “(10) education directly related to employment,  
 19 in the case of a recipient who has not attained 20  
 20 years of age, and has not received a high school di-  
 21 ploma or a certificate of high school equivalency; and

22 “(11) satisfactory attendance at secondary  
 23 school, in the case of a recipient who—

24 “(A) has not completed secondary school;

25 and

1           “(B) is a dependent child, or a head of  
2           household who has not attained 20 years of age.

3           “(e) PENALTIES AGAINST INDIVIDUALS.—

4           “(1) IN GENERAL.—Except as provided in para-  
5           graph (2), if an adult in a family receiving assist-  
6           ance under the State program funded under this  
7           part refuses to engage in work required in accord-  
8           ance with this section, the State shall—

9           “(A) reduce the amount of assistance oth-  
10          erwise payable to the family pro rata (or more,  
11          at the option of the State) with respect to any  
12          period during a month in which the adult so re-  
13          fuses; or

14          “(B) terminate such assistance,  
15          subject to such good cause and other exceptions as  
16          the State may establish.

17          “(2) EXCEPTION.—Notwithstanding paragraph  
18          (1), a State may not reduce or terminate assistance  
19          under the State program funded under this part  
20          based on a refusal of an adult to work if the adult  
21          is a single custodial parent caring for a child who  
22          has not attained 6 years of age, and the adult proves  
23          that the adult has a demonstrated inability (as de-  
24          termined by the State) to obtain needed child care,  
25          for 1 or more of the following reasons:

1           “(A) Unavailability of appropriate child  
2           care within a reasonable distance from the indi-  
3           vidual’s home or work site.

4           “(B) Unavailability or unsuitability of in-  
5           formal child care by a relative or under other  
6           arrangements.

7           “(C) Unavailability of appropriate and af-  
8           fordable formal child care arrangements.

9           “(f) NONDISPLACEMENT IN WORK ACTIVITIES.—

10           “(1) IN GENERAL.—Subject to paragraph (2),  
11           an adult in a family receiving assistance under a  
12           State program funded under this part attributable to  
13           funds provided by the Federal Government may fill  
14           a vacant employment position in order to engage in  
15           a work activity described in subsection (d).

16           “(2) NO FILLING OF CERTAIN VACANCIES.—No  
17           adult in a work activity described in subsection (d)  
18           which is funded, in whole or in part, by funds pro-  
19           vided by the Federal Government shall be employed  
20           or assigned—

21           “(A) when any other individual is on layoff  
22           from the same or any substantially equivalent  
23           job; or

24           “(B) if the employer has terminated the  
25           employment of any regular employee or other-

1           wise caused an involuntary reduction of its  
2           workforce in order to fill the vacancy so created  
3           with an adult described in paragraph (1).

4           “(3) NO PREEMPTION.—Nothing in this sub-  
5           section shall preempt or supersede any provision of  
6           State or local law that provides greater protection  
7           for employees from displacement.

8           “(g) SENSE OF THE CONGRESS.—It is the sense of  
9           the Congress that in complying with this section, each  
10          State that operates a program funded under this part is  
11          encouraged to assign the highest priority to requiring  
12          adults in 2-parent families and adults in single-parent  
13          families that include older preschool or school-age children  
14          to be engaged in work activities.

15          “(h) SENSE OF THE CONGRESS THAT STATES  
16          SHOULD IMPOSE CERTAIN REQUIREMENTS ON NON-  
17          CUSTODIAL, NONSUPPORTING MINOR PARENTS.—It is the  
18          sense of the Congress that the States should require non-  
19          custodial, nonsupporting parents who have not attained 18  
20          years of age to fulfill community work obligations and at-  
21          tend appropriate parenting or money management classes  
22          after school.

23          **“SEC. 408. PROHIBITIONS; REQUIREMENTS.**

24          “(a) IN GENERAL.—

1           “(1) NO ASSISTANCE FOR FAMILIES WITHOUT A  
2           MINOR CHILD.—A State to which a grant is made  
3           under section 403 shall not use any part of the  
4           grant to provide assistance to a family, unless the  
5           family includes—

6                   “(A) a minor child who resides with a cus-  
7                   todial parent or other adult caretaker relative of  
8                   the child; or

9                   “(B) a pregnant individual.

10           “(2) REDUCTION OR ELIMINATION OF ASSIST-  
11           ANCE FOR NONCOOPERATION IN ESTABLISHING PA-  
12           TERNITY OR OBTAINING CHILD SUPPORT.—If the  
13           agency responsible for administering the State plan  
14           approved under part D determines that an individual  
15           is not cooperating with the State in establishing pa-  
16           ternity or in establishing, modifying, or enforcing a  
17           support order with respect to a child of the individ-  
18           ual, and the individual does not qualify for any good  
19           cause or other exception established by the State  
20           pursuant to section 454(29), then the State—

21                   “(A) shall deduct from the assistance that  
22                   would otherwise be provided to the family of the  
23                   individual under the State program funded  
24                   under this part the share of such assistance at-  
25                   tributable to the individual; and



1           “(B) may deny the family any assistance  
2           under the State program.

3           “(3) NO ASSISTANCE FOR FAMILIES NOT AS-  
4           SIGNING CERTAIN SUPPORT RIGHTS TO THE  
5           STATE.—

6           “(A) IN GENERAL.—A State to which a  
7           grant is made under section 403 shall require,  
8           as a condition of providing assistance to a fam-  
9           ily under the State program funded under this  
10          part, that a member of the family assign to the  
11          State any rights the family member may have  
12          (on behalf of the family member or of any other  
13          person for whom the family member has applied  
14          for or is receiving such assistance) to support  
15          from any other person, not exceeding the total  
16          amount of assistance so provided to the family,  
17          which accrue (or have accrued) before the date  
18          the family leaves the program, which assign-  
19          ment, on and after the date the family leaves  
20          the program, shall not apply with respect to any  
21          support (other than support collected pursuant  
22          to section 464) which accrued before the family  
23          received such assistance and which the State  
24          has not collected by—

1                   “(i) September 30, 2000, if the as-  
2                   signment is executed on or after October 1,  
3                   1997, and before October 1, 2000; or

4                   “(ii) the date the family leaves the  
5                   program, if the assignment is executed on  
6                   or after October 1, 2000.

7                   “(B) LIMITATION.—A State to which a  
8                   grant is made under section 403 shall not re-  
9                   quire, as a condition of providing assistance to  
10                  any family under the State program funded  
11                  under this part, that a member of the family  
12                  assign to the State any rights to support de-  
13                  scribed in subparagraph (A) which accrue after  
14                  the date the family leaves the program, except  
15                  to the extent necessary to enable the State to  
16                  comply with section 457.

17                  “(4) NO ASSISTANCE FOR TEENAGE PARENTS  
18                  WHO DO NOT ATTEND HIGH SCHOOL OR OTHER  
19                  EQUIVALENT TRAINING PROGRAM.—A State to  
20                  which a grant is made under section 403 shall not  
21                  use any part of the grant to provide assistance to an  
22                  individual who has not attained 18 years of age, is  
23                  not married, has a minor child at least 12 weeks of  
24                  age in his or her care, and has not successfully com-

1       pleted a high-school education (or its equivalent), if  
 2       the individual does not participate in—

3               “(A) educational activities directed toward  
 4               the attainment of a high school diploma or its  
 5               equivalent; or

6               “(B) an alternative educational or training  
 7               program that has been approved by the State.

8               “(5) NO ASSISTANCE FOR TEENAGE PARENTS  
 9       NOT LIVING IN ADULT-SUPERVISED SETTINGS.—

10              “(A) IN GENERAL.—

11              “(i) REQUIREMENT.—Except as pro-  
 12              vided in subparagraph (B), a State to  
 13              which a grant is made under section 403  
 14              shall not use any part of the grant to pro-  
 15              vide assistance to an individual described  
 16              in clause (ii) of this subparagraph if the  
 17              individual and the minor child referred to  
 18              in clause (ii)(II) do not reside in a place of  
 19              residence maintained by a parent, legal  
 20              guardian, or other adult relative of the in-  
 21              dividual as such parent’s, guardian’s, or  
 22              adult relative’s own home.

23              “(ii) INDIVIDUAL DESCRIBED.—For  
 24              purposes of clause (i), an individual de-

scribed in this clause is an individual  
who—

“(I) has not attained 18 years of  
age; and

“(II) is not married, and has a  
minor child in his or her care.

“(B) EXCEPTION.—

“(i) PROVISION OF, OR ASSISTANCE IN  
LOCATING, ADULT-SUPERVISED LIVING AR-  
RANGEMENT.—In the case of an individual  
who is described in clause (ii), the State  
agency referred to in section 402(a)(4)  
shall provide, or assist the individual in lo-  
cating, a second chance home, maternity  
home, or other appropriate adult-super-  
vised supportive living arrangement, taking  
into consideration the needs and concerns  
of the individual, unless the State agency  
determines that the individual’s current  
living arrangement is appropriate, and  
thereafter shall require that the individual  
and the minor child referred to in subpara-  
graph (A)(ii)(II) reside in such living ar-  
rangement as a condition of the continued  
receipt of assistance under the State pro-

1           gram funded under this part attributable  
 2           to funds provided by the Federal Govern-  
 3           ment (or in an alternative appropriate ar-  
 4           rangement, should circumstances change  
 5           and the current arrangement cease to be  
 6           appropriate).

7           “(ii) INDIVIDUAL DESCRIBED.—For  
 8           purposes of clause (i), an individual is de-  
 9           scribed in this clause if the individual is  
 10          described in subparagraph (A)(ii), and—

11           “(I) the individual has no parent,  
 12           legal guardian or other appropriate  
 13           adult relative described in subclause  
 14           (II) of his or her own who is living or  
 15           whose whereabouts are known;

16           “(II) no living parent, legal  
 17           guardian, or other appropriate adult  
 18           relative, who would otherwise meet  
 19           applicable State criteria to act as the  
 20           individual’s legal guardian, of such in-  
 21           dividual allows the individual to live in  
 22           the home of such parent, guardian, or  
 23           relative;

24           “(III) the State agency deter-  
 25           mines that—

1                   “(aa) the individual or the  
 2                   minor child referred to in sub-  
 3                   paragraph (A)(ii)(II) is being or  
 4                   has been subjected to serious  
 5                   physical or emotional harm, sex-  
 6                   ual abuse, or exploitation in the  
 7                   residence of the individual’s own  
 8                   parent or legal guardian; or

9                   “(bb) substantial evidence  
 10                  exists of an act or failure to act  
 11                  that presents an imminent or se-  
 12                  rious harm if the individual and  
 13                  the minor child lived in the same  
 14                  residence with the individual’s  
 15                  own parent or legal guardian; or

16               “(IV) the State agency otherwise  
 17               determines that it is in the best inter-  
 18               est of the minor child to waive the re-  
 19               quirement of subparagraph (A) with  
 20               respect to the individual or the minor  
 21               child.

22               “(iii) SECOND-CHANCE HOME.—For  
 23               purposes of this subparagraph, the term  
 24               ‘second-chance home’ means an entity that  
 25               provides individuals described in clause (ii)

1 with a supportive and supervised living ar-  
2 rangement in which such individuals are  
3 required to learn parenting skills, including  
4 child development, family budgeting, health  
5 and nutrition, and other skills to promote  
6 their long-term economic independence and  
7 the well-being of their children.

8 “(6) NO MEDICAL SERVICES.—

9 “(A) IN GENERAL.—Except as provided in  
10 subparagraph (B), a State to which a grant is  
11 made under section 403 shall not use any part  
12 of the grant to provide medical services.

13 “(B) EXCEPTION FOR FAMILY PLANNING  
14 SERVICES.—As used in subparagraph (A), the  
15 term ‘medical services’ does not include family  
16 planning services.

17 “(7) NO ASSISTANCE FOR MORE THAN 5  
18 YEARS.—

19 “(A) IN GENERAL.—Except as provided in  
20 subparagraphs (B) and (C), a State to which a  
21 grant is made under section 403 shall not use  
22 any part of the grant to provide assistance to  
23 a family that includes an adult who has re-  
24 ceived assistance under any State program  
25 funded under this part attributable to funds

1 provided by the Federal Government, for 60  
2 months (whether or not consecutive) after the  
3 date the State program funded under this part  
4 commences.

5 “(B) MINOR CHILD EXCEPTION.—In deter-  
6 mining the number of months for which an in-  
7 dividual who is a parent or pregnant has re-  
8 ceived assistance under the State program  
9 funded under this part, the State shall dis-  
10 regard any month for which such assistance  
11 was provided with respect to the individual and  
12 during which the individual was—

13 “(i) a minor child; and

14 “(ii) not the head of a household or  
15 married to the head of a household.

16 “(C) HARDSHIP EXCEPTION.—

17 “(i) IN GENERAL.—The State may ex-  
18 empt a family from the application of sub-  
19 paragraph (A) by reason of hardship or if  
20 the family includes an individual who has  
21 been battered or subjected to extreme cru-  
22 elty.

23 “(ii) LIMITATION.—The number of  
24 families with respect to which an exemp-  
25 tion made by a State under clause (i) is in



1 effect for a fiscal year shall not exceed 20  
2 percent of the average monthly number of  
3 families to which assistance is provided  
4 under the State program funded under this  
5 part.

6 “(iii) BATTERED OR SUBJECT TO EX-  
7 TREME CRUELTY DEFINED.—For purposes  
8 of clause (i), an individual has been bat-  
9 tered or subjected to extreme cruelty if the  
10 individual has been subjected to—

11 “(I) physical acts that resulted  
12 in, or threatened to result in, physical  
13 injury to the individual;

14 “(II) sexual abuse;

15 “(III) sexual activity involving a  
16 dependent child;

17 “(IV) being forced as the care-  
18 taker relative of a dependent child to  
19 engage in nonconsensual sexual acts  
20 or activities;

21 “(V) threats of, or attempts at,  
22 physical or sexual abuse;

23 “(VI) mental abuse; or

24 “(VII) neglect or deprivation of  
25 medical care.

1           “(D) RULE OF INTERPRETATION.—Sub-  
2           paragraph (A) shall not be interpreted to re-  
3           quire any State to provide assistance to any in-  
4           dividual for any period of time under the State  
5           program funded under this part.

6           “(8) DENIAL OF ASSISTANCE FOR 10 YEARS TO  
7           A PERSON FOUND TO HAVE FRAUDULENTLY MIS-  
8           REPRESENTED RESIDENCE IN ORDER TO OBTAIN AS-  
9           SISTANCE IN 2 OR MORE STATES.—A State to which  
10          a grant is made under section 403 shall not use any  
11          part of the grant to provide cash assistance to an in-  
12          dividual during the 10-year period that begins on  
13          the date the individual is convicted in Federal or  
14          State court of having made a fraudulent statement  
15          or representation with respect to the place of resi-  
16          dence of the individual in order to receive assistance  
17          simultaneously from 2 or more States under pro-  
18          grams that are funded under this title, title XV or  
19          XIX, or the Food Stamp Act of 1977, or benefits in  
20          2 or more States under the supplemental security in-  
21          come program under title XVI. The preceding sen-  
22          tence shall not apply with respect to a conviction of  
23          an individual, for any month beginning after the  
24          President of the United States grants a pardon with

1       respect to the conduct which was the subject of the  
2       conviction.

3               “(9) DENIAL OF ASSISTANCE FOR FUGITIVE  
4       FELONS AND PROBATION AND PAROLE VIOLA-  
5       TORS.—

6               “(A) IN GENERAL.—A State to which a  
7       grant is made under section 403 shall not use  
8       any part of the grant to provide assistance to  
9       any individual who is—

10              “(i) fleeing to avoid prosecution, or  
11       custody or confinement after conviction,  
12       under the laws of the place from which the  
13       individual flees, for a crime, or an attempt  
14       to commit a crime, which is a felony under  
15       the laws of the place from which the indi-  
16       vidual flees, or which, in the case of the  
17       State of New Jersey, is a high mis-  
18       demeanor under the laws of such State; or

19              “(ii) violating a condition of probation  
20       or parole imposed under Federal or State  
21       law.

22       The preceding sentence shall not apply with re-  
23       spect to conduct of an individual, for any month  
24       beginning after the President of the United

1 States grants a pardon with respect to the con-  
2 duct.

3 “(B) EXCHANGE OF INFORMATION WITH  
4 LAW ENFORCEMENT AGENCIES.—If a State to  
5 which a grant is made under section 403 estab-  
6 lishes safeguards against the use or disclosure  
7 of information about applicants or recipients of  
8 assistance under the State program funded  
9 under this part, the safeguards shall not pre-  
10 vent the State agency administering the pro-  
11 gram from furnishing a Federal, State, or local  
12 law enforcement officer, upon the request of the  
13 officer, with the current address of any recipi-  
14 ent if the officer furnishes the agency with the  
15 name of the recipient and notifies the agency  
16 that—

17 “(i) the recipient—

18 “(I) is described in subparagraph  
19 (A); or

20 “(II) has information that is nec-  
21 essary for the officer to conduct the  
22 official duties of the officer; and

23 “(ii) the location or apprehension of  
24 the recipient is within such official duties.

1           “(10) DENIAL OF ASSISTANCE FOR MINOR  
2 CHILDREN WHO ARE ABSENT FROM THE HOME FOR  
3 A SIGNIFICANT PERIOD.—

4           “(A) IN GENERAL.—A State to which a  
5 grant is made under section 403 shall not use  
6 any part of the grant to provide assistance for  
7 a minor child who has been, or is expected by  
8 a parent (or other caretaker relative) of the  
9 child to be, absent from the home for a period  
10 of 45 consecutive days or, at the option of the  
11 State, such period of not less than 30 and not  
12 more than 180 consecutive days as the State  
13 may provide for in the State plan submitted  
14 pursuant to section 402.

15           “(B) STATE AUTHORITY TO ESTABLISH  
16 GOOD CAUSE EXCEPTIONS.—The State may es-  
17 tablish such good cause exceptions to subpara-  
18 graph (A) as the State considers appropriate if  
19 such exceptions are provided for in the State  
20 plan submitted pursuant to section 402.

21           “(C) DENIAL OF ASSISTANCE FOR REL-  
22 ATIVE WHO FAILS TO NOTIFY STATE AGENCY  
23 OF ABSENCE OF CHILD.—A State to which a  
24 grant is made under section 403 shall not use  
25 any part of the grant to provide assistance for

1 an individual who is a parent (or other care-  
2 taker relative) of a minor child and who fails to  
3 notify the agency administering the State pro-  
4 gram funded under this part of the absence of  
5 the minor child from the home for the period  
6 specified in or provided for pursuant to sub-  
7 paragraph (A), by the end of the 5-day period  
8 that begins with the date that it becomes clear  
9 to the parent (or relative) that the minor child  
10 will be absent for such period so specified or  
11 provided for.

12 “(11) INCOME SECURITY PAYMENTS NOT TO BE  
13 DISREGARDED IN DETERMINING THE AMOUNT OF  
14 ASSISTANCE TO BE PROVIDED TO A FAMILY.—If a  
15 State to which a grant is made under section 403  
16 uses any part of the grant to provide assistance for  
17 any individual who is receiving benefits, or on behalf  
18 of whom benefits are paid, under a State plan for  
19 old-age assistance approved under section 2, under  
20 section 202, 205(j)(1), 223, or 228, under a State  
21 program funded under part E that provides cash  
22 payments for foster care, or under the supplemental  
23 security income program under title XVI, then the  
24 State shall not disregard the payment in determin-  
25 ing the amount of assistance to be provided under

1 the State program funded under this part, from  
2 funds provided by the Federal Government, to the  
3 family of which the individual is a member.

4 “(b) ALIENS.—For special rules relating to the treat-  
5 ment of aliens, see section 402 of the Personal Respon-  
6 sibility and Work Opportunity Act of 1996.

7 **“SEC. 409. PENALTIES.**

8 “(a) IN GENERAL.—Subject to this section:

9 “(1) USE OF GRANT IN VIOLATION OF THIS  
10 PART.—

11 “(A) GENERAL PENALTY.—If an audit  
12 conducted under chapter 75 of title 31, United  
13 States Code, finds that an amount paid to a  
14 State under section 403 for a fiscal year has  
15 been used in violation of this part, the Sec-  
16 retary shall reduce the grant payable to the  
17 State under section 403(a)(1) for the imme-  
18 diately succeeding fiscal year quarter by the  
19 amount so used.

20 “(B) ENHANCED PENALTY FOR INTEN-  
21 TIONAL VIOLATIONS.—If the State does not  
22 prove to the satisfaction of the Secretary that  
23 the State did not intend to use the amount in  
24 violation of this part, the Secretary shall fur-  
25 ther reduce the grant payable to the State

1 under section 403(a)(1) for the immediately  
2 succeeding fiscal year quarter by an amount  
3 equal to 5 percent of the State family assist-  
4 ance grant.

5 “(2) FAILURE TO SUBMIT REQUIRED RE-  
6 PORT.—

7 “(A) IN GENERAL.—If the Secretary deter-  
8 mines that a State has not, within 1 month  
9 after the end of a fiscal quarter, submitted the  
10 report required by section 411(a) for the quar-  
11 ter, the Secretary shall reduce the grant pay-  
12 able to the State under section 403(a)(1) for  
13 the immediately succeeding fiscal year by an  
14 amount equal to 4 percent of the State family  
15 assistance grant.

16 “(B) RESCISSION OF PENALTY.—The Sec-  
17 retary shall rescind a penalty imposed on a  
18 State under subparagraph (A) with respect to a  
19 report if the State submits the report before the  
20 end of the fiscal quarter that immediately suc-  
21 ceeds the fiscal quarter for which the report  
22 was required.

23 “(3) FAILURE TO SATISFY MINIMUM PARTICIPA-  
24 TION RATES.—



1           “(A) IN GENERAL.—If the Secretary deter-  
2           mines that a State to which a grant is made  
3           under section 403 for a fiscal year has failed to  
4           comply with section 407(a) for the fiscal year,  
5           the Secretary shall reduce the grant payable to  
6           the State under section 403(a)(1) for the imme-  
7           diately succeeding fiscal year by an amount  
8           equal to not more than 5 percent of the State  
9           family assistance grant.

10           “(B) PENALTY BASED ON SEVERITY OF  
11           FAILURE.—The Secretary shall impose reduc-  
12           tions under subparagraph (A) based on the de-  
13           gree of noncompliance.

14           “(4) FAILURE TO PARTICIPATE IN THE INCOME  
15           AND ELIGIBILITY VERIFICATION SYSTEM.—If the  
16           Secretary determines that a State program funded  
17           under this part is not participating during a fiscal  
18           year in the income and eligibility verification system  
19           required by section 1137, the Secretary shall reduce  
20           the grant payable to the State under section  
21           403(a)(1) for the immediately succeeding fiscal year  
22           by an amount equal to not more than 2 percent of  
23           the State family assistance grant.

24           “(5) FAILURE TO COMPLY WITH PATERNITY ES-  
25           TABLISHMENT AND CHILD SUPPORT ENFORCEMENT

1        REQUIREMENTS UNDER PART D.—Notwithstanding  
2        any other provision of this Act, if the Secretary de-  
3        termines that the State agency that administers a  
4        program funded under this part does not enforce the  
5        penalties requested by the agency administering part  
6        D against recipients of assistance under the State  
7        program who fail to cooperate in establishing pater-  
8        nity or in establishing, modifying, or enforcing a  
9        child support order in accordance with such part,  
10       the Secretary shall reduce the grant payable to the  
11       State under section 403(a)(1) for the immediately  
12       succeeding fiscal year (without regard to this sec-  
13       tion) by not more than 5 percent.

14       “(6) FAILURE TO TIMELY REPAY A FEDERAL  
15       LOAN FUND FOR STATE WELFARE PROGRAMS.—If  
16       the Secretary determines that a State has failed to  
17       repay any amount borrowed from the Federal Loan  
18       Fund for State Welfare Programs established under  
19       section 406 within the period of maturity applicable  
20       to the loan, plus any interest owed on the loan, the  
21       Secretary shall reduce the grant payable to the State  
22       under section 403(a)(1) for the immediately succeed-  
23       ing fiscal year quarter (without regard to this sec-  
24       tion) by the outstanding loan amount, plus the inter-  
25       est owed on the outstanding amount. The Secretary

1 shall not forgive any outstanding loan amount or in-  
 2 terest owed on the outstanding amount.

3 “(7) FAILURE OF ANY STATE TO MAINTAIN  
 4 CERTAIN LEVEL OF HISTORIC EFFORT.—

5 “(A) IN GENERAL.—The Secretary shall  
 6 reduce the grant payable to the State under  
 7 section 403(a)(1) for fiscal year 1998, 1999,  
 8 2000, 2001, or 2002 by the amount (if any) by  
 9 which qualified State expenditures for the then  
 10 immediately preceding fiscal year are less than  
 11 the applicable percentage of historic State ex-  
 12 penditures with respect to such preceding fiscal  
 13 year.

14 “(B) DEFINITIONS.—As used in this para-  
 15 graph:

16 “(i) QUALIFIED STATE EXPENDI-  
 17 TURES.—

18 “(I) IN GENERAL.—The term  
 19 ‘qualified State expenditures’ means,  
 20 with respect to a State and a fiscal  
 21 year, the total expenditures by the  
 22 State during the fiscal year, under all  
 23 State programs, for any of the follow-  
 24 ing with respect to eligible families:

25 “(aa) Cash assistance.

1 “(bb) Child care assistance.

2 “(cc) Educational activities  
3 designed to increase self-suffi-  
4 ciency, job training, and work.

5 “(dd) Administrative costs.

6 “(ee) Any other use of funds  
7 allowable under section  
8 404(a)(1).

9 “(II) EXCLUSION OF TRANSFERS  
10 FROM OTHER STATE AND LOCAL PRO-  
11 GRAMS.—Such term does not include  
12 funding supplanted by transfers from  
13 other State and local programs.

14 “(III) ELIGIBLE FAMILIES.—As  
15 used in subclause (I), the term ‘eligi-  
16 ble families’ means families eligible  
17 for assistance under the State pro-  
18 gram funded under this part, and  
19 families that would be eligible for such  
20 assistance but for the application of  
21 section 408(a)(7) of this Act or sec-  
22 tion 402 of the Personal Responsibil-  
23 ity and Work Opportunity Act of  
24 1996.

1                   “(ii) APPLICABLE PERCENTAGE.—The  
 2                   term ‘applicable percentage’ means for fis-  
 3                   cal years 1997 through 2001, 75 percent  
 4                   reduced (if appropriate) in accordance with  
 5                   subparagraph (C)(ii).

6                   “(iii) HISTORIC STATE EXPENDI-  
 7                   TURES.—The term ‘historic State expendi-  
 8                   tures’ means, with respect to a State, the  
 9                   lesser of—

10                   “(I) the expenditures by the  
 11                   State under parts A and F (as in ef-  
 12                   fect during fiscal year 1994) for fiscal  
 13                   year 1994; or

14                   “(II) the amount which bears the  
 15                   same ratio to the amount described in  
 16                   subclause (I) as—

17                   “(aa) the State family as-  
 18                   sistance grant, plus the total  
 19                   amount required to be paid to  
 20                   the State under former section  
 21                   403 for fiscal year 1994 with re-  
 22                   spect to amounts expended by  
 23                   the State for child care under  
 24                   subsection (g) or (i) of section

1                   402 (as in effect during fiscal  
2                   year 1994); bears to

3                   “(bb) the total amount re-  
4                   quired to be paid to the State  
5                   under former section 403 (as in  
6                   effect during fiscal year 1994)  
7                   for fiscal year 1994.

8                   Such term does not include any expendi-  
9                   tures under the State plan approved under  
10                  part A (as so in effect) on behalf of indi-  
11                  viduals covered by a tribal family assist-  
12                  ance plan approved under section 412, as  
13                  determined by the Secretary.

14                  “(iv)   EXPENDITURES    BY    THE  
15                  STATE.—The term ‘expenditures by the  
16                  State’ does not include—

17                  “(I)   any   expenditures   from  
18                  amounts made available by the Fed-  
19                  eral Government;

20                  “(II) State funds expended for  
21                  the medicaid program under title XV  
22                  or XIX; or

23                  “(III) any State funds which are  
24                  used to match Federal funds or are  
25                  expended as a condition of receiving

1 Federal funds under Federal pro-  
2 grams other than under this part.

3 “(C) APPLICABLE PERCENTAGE REDUCED  
4 FOR HIGH PERFORMANCE STATES.—

5 “(i) DETERMINATION OF HIGH PER-  
6 FORMANCE STATES.—The Secretary shall  
7 use the formula developed under section  
8 403(a)(4)(C) to assign a score to each eli-  
9 gible State that represents the perform-  
10 ance of the State program funded under  
11 this part for each fiscal year, and shall  
12 prescribe a performance threshold which  
13 the Secretary shall use to determine  
14 whether to reduce the applicable percent-  
15 age with respect to any eligible State for a  
16 fiscal year.

17 “(ii) REDUCTION PROPORTIONAL TO  
18 PERFORMANCE.—The Secretary shall re-  
19 duce the applicable percentage for a fiscal  
20 year with respect to each eligible State by  
21 an amount which is directly proportional to  
22 the amount (if any) by which the score as-  
23 signed to the State under clause (i) for the  
24 immediately preceding fiscal year exceeds  
25 the performance threshold prescribed

1 under clause (i) for such preceding fiscal  
2 year, subject to clause (iii).

3 “(iii) LIMITATION ON REDUCTION.—

4 The applicable percentage for a fiscal year  
5 with respect to a State may not be reduced  
6 by more than 8 percentage points under  
7 this subparagraph.

8 “(8) SUBSTANTIAL NONCOMPLIANCE OF STATE  
9 CHILD SUPPORT ENFORCEMENT PROGRAM WITH RE-  
10 QUIREMENTS OF PART D.—

11 “(A) IN GENERAL.—If a State program  
12 operated under part D is found as a result of  
13 a review conducted under section 452(a)(4) not  
14 to have complied substantially with the require-  
15 ments of such part for any quarter, and the  
16 Secretary determines that the program is not  
17 complying substantially with such requirements  
18 at the time the finding is made, the Secretary  
19 shall reduce the grant payable to the State  
20 under section 403(a)(1) for the quarter and  
21 each subsequent quarter that ends before the  
22 1st quarter throughout which the program is  
23 found to be in substantial compliance with such  
24 requirements by—



1 “(i) not less than 1 nor more than 2  
2 percent;

3 “(ii) not less than 2 nor more than 3  
4 percent, if the finding is the 2nd consecu-  
5 tive such finding made as a result of such  
6 a review; or

7 “(iii) not less than 3 nor more than 5  
8 percent, if the finding is the 3rd or a sub-  
9 sequent consecutive such finding made as a  
10 result of such a review.

11 “(B) DISREGARD OF NONCOMPLIANCE  
12 WHICH IS OF A TECHNICAL NATURE.—For pur-  
13 poses of subparagraph (A) and section  
14 452(a)(4), a State which is not in full compli-  
15 ance with the requirements of this part shall be  
16 determined to be in substantial compliance with  
17 such requirements only if the Secretary deter-  
18 mines that any noncompliance with such re-  
19 quirements is of a technical nature which does  
20 not adversely affect the performance of the  
21 State’s program operated under part D.

22 “(9) FAILURE OF STATE RECEIVING AMOUNTS  
23 FROM CONTINGENCY FUND TO MAINTAIN 100 PER-  
24 CENT OF HISTORIC EFFORT.—If, at the end of any  
25 fiscal year during which amounts from the Contin-

1       agency Fund for State Welfare Programs have been  
 2       paid to a State, the Secretary finds that the expendi-  
 3       tures under the State program funded under this  
 4       part for the fiscal year are less than 100 percent of  
 5       historic State expenditures (as defined in paragraph  
 6       (7)(B)(iii) of this subsection), the Secretary shall re-  
 7       duce the grant payable to the State under section  
 8       403(a)(1) for the immediately succeeding fiscal year  
 9       by the total of the amounts so paid to the State.

10       “(10) FAILURE TO EXPEND ADDITIONAL STATE  
 11       FUNDS TO REPLACE GRANT REDUCTIONS.—If the  
 12       grant payable to a State under section 403(a)(1) for  
 13       a fiscal year is reduced by reason of this subsection,  
 14       the State shall, during the immediately succeeding  
 15       fiscal year, expend under the State program funded  
 16       under this part an amount equal to the total amount  
 17       of such reductions.

18       “(b) REASONABLE CAUSE EXCEPTION.—

19       “(1) IN GENERAL.—The Secretary may not im-  
 20       pose a penalty on a State under subsection (a) with  
 21       respect to a requirement if the Secretary determines  
 22       that the State has reasonable cause for failing to  
 23       comply with the requirement.

1           “(2) EXCEPTION.—Paragraph (1) of this sub-  
2           section shall not apply to any penalty under para-  
3           graph (6) or (7) of subsection (a).

4           “(c) CORRECTIVE COMPLIANCE PLAN.—

5           “(1) IN GENERAL.—

6           “(A) NOTIFICATION OF VIOLATION.—Be-  
7           fore imposing a penalty against a State under  
8           subsection (a) with respect to a violation of this  
9           part, the Secretary shall notify the State of the  
10          violation and allow the State the opportunity to  
11          enter into a corrective compliance plan in ac-  
12          cordance with this subsection which outlines  
13          how the State will correct the violation and how  
14          the State will insure continuing compliance with  
15          this part.

16          “(B) 60-DAY PERIOD TO PROPOSE A COR-  
17          RECTIVE COMPLIANCE PLAN.—During the 60-  
18          day period that begins on the date the State re-  
19          ceives a notice provided under subparagraph  
20          (A) with respect to a violation, the State may  
21          submit to the Federal Government a corrective  
22          compliance plan to correct the violation.

23          “(C) CONSULTATION ABOUT MODIFICA-  
24          TIONS.—During the 60-day period that begins  
25          with the date the Secretary receives a corrective

1 compliance plan submitted by a State in accord-  
2 ance with subparagraph (B), the Secretary may  
3 consult with the State on modifications to the  
4 plan.

5 “(D) ACCEPTANCE OF PLAN.—A corrective  
6 compliance plan submitted by a State in accord-  
7 ance with subparagraph (B) is deemed to be ac-  
8 cepted by the Secretary if the Secretary does  
9 not accept or reject the plan during 60-day pe-  
10 riod that begins on the date the plan is submit-  
11 ted.

12 “(2) EFFECT OF CORRECTING VIOLATION.—  
13 The Secretary may not impose any penalty under  
14 subsection (a) with respect to any violation covered  
15 by a State corrective compliance plan accepted by  
16 the Secretary if the State corrects the violation pur-  
17 suant to the plan.

18 “(3) EFFECT OF FAILING TO CORRECT VIOLA-  
19 TION.—The Secretary shall assess some or all of a  
20 penalty imposed on a State under subsection (a)  
21 with respect to a violation if the State does not, in  
22 a timely manner, correct the violation pursuant to a  
23 State corrective compliance plan accepted by the  
24 Secretary.

1           “(4) INAPPLICABILITY TO FAILURE TO TIMELY  
2       REPAY A FEDERAL LOAN FUND FOR A STATE WEL-  
3       FARE PROGRAM.—This subsection shall not apply to  
4       the imposition of a penalty against a State under  
5       subsection (a)(6).

6       “(d) LIMITATION ON AMOUNT OF PENALTY.—

7           “(1) IN GENERAL.—In imposing the penalties  
8       described in subsection (a), the Secretary shall not  
9       reduce any quarterly payment to a State by more  
10      than 25 percent.

11          “(2) CARRYFORWARD OF UNRECOVERED PEN-  
12      ALTIES.—To the extent that paragraph (1) of this  
13      subsection prevents the Secretary from recovering  
14      during a fiscal year the full amount of penalties im-  
15      posed on a State under subsection (a) of this section  
16      for a prior fiscal year, the Secretary shall apply any  
17      remaining amount of such penalties to the grant  
18      payable to the State under section 403(a)(1) for the  
19      immediately succeeding fiscal year.

20      **“SEC. 410. APPEAL OF ADVERSE DECISION.**

21          “(a) IN GENERAL.—Within 5 days after the date the  
22      Secretary takes any adverse action under this part with  
23      respect to a State, the Secretary shall notify the chief ex-  
24      ecutive officer of the State of the adverse action, including  
25      any action with respect to the State plan submitted under

1 section 402 or the imposition of a penalty under section  
2 409.

3 “(b) ADMINISTRATIVE REVIEW.—

4 “(1) IN GENERAL.—Within 60 days after the  
5 date a State receives notice under subsection (a) of  
6 an adverse action, the State may appeal the action,  
7 in whole or in part, to the Departmental Appeals  
8 Board established in the Department of Health and  
9 Human Services (in this section referred to as the  
10 ‘Board’) by filing an appeal with the Board.

11 “(2) PROCEDURAL RULES.—The Board shall  
12 consider an appeal filed by a State under paragraph  
13 (1) on the basis of such documentation as the State  
14 may submit and as the Board may require to sup-  
15 port the final decision of the Board. In deciding  
16 whether to uphold an adverse action or any portion  
17 of such an action, the Board shall conduct a thor-  
18 ough review of the issues and take into account all  
19 relevant evidence. The Board shall make a final de-  
20 termination with respect to an appeal filed under  
21 paragraph (1) not less than 60 days after the date  
22 the appeal is filed.

23 “(c) JUDICIAL REVIEW OF ADVERSE DECISION.—

24 “(1) IN GENERAL.—Within 90 days after the  
25 date of a final decision by the Board under this sec-

tion with respect to an adverse action taken against a State, the State may obtain judicial review of the final decision (and the findings incorporated into the final decision) by filing an action in—

“(A) the district court of the United States for the judicial district in which the principal or headquarters office of the State agency is located; or

“(B) the United States District Court for the District of Columbia.

“(2) PROCEDURAL RULES.—The district court in which an action is filed under paragraph (1) shall review the final decision of the Board on the record established in the administrative proceeding, in accordance with the standards of review prescribed by subparagraphs (A) through (E) of section 706(2) of title 5, United States Code. The review shall be on the basis of the documents and supporting data submitted to the Board.

**“SEC. 411. DATA COLLECTION AND REPORTING.**

“(a) QUARTERLY REPORTS BY STATES.—

“(1) GENERAL REPORTING REQUIREMENT.—

“(A) CONTENTS OF REPORT.—Each eligible State shall collect on a monthly basis, and report to the Secretary on a quarterly basis, the

1 following disaggregated case record information  
2 on the families receiving assistance under the  
3 State program funded under this part:

4 “(i) The county of residence of the  
5 family.

6 “(ii) Whether a child receiving such  
7 assistance or an adult in the family is dis-  
8 abled.

9 “(iii) The ages of the members of  
10 such families.

11 “(iv) The number of individuals in the  
12 family, and the relation of each family  
13 member to the youngest child in the fam-  
14 ily.

15 “(v) The employment status and earn-  
16 ings of the employed adult in the family.

17 “(vi) The marital status of the adults  
18 in the family, including whether such  
19 adults have never married, are widowed, or  
20 are divorced.

21 “(vii) The race and educational status  
22 of each adult in the family.

23 “(viii) The race and educational sta-  
24 tus of each child in the family.



1           “(ix) Whether the family received sub-  
2           sidized housing, medical assistance under  
3           the State plan under title XV or the State  
4           plan approved under title XIX, food  
5           stamps, or subsidized child care, and if the  
6           latter 2, the amount received.

7           “(x) The number of months that the  
8           family has received each type of assistance  
9           under the program.

10           “(xi) If the adults participated in, and  
11           the number of hours per week of participa-  
12           tion in, the following activities:

13                   “(I) Education.

14                   “(II) Subsidized private sector  
15                   employment.

16                   “(III) Unsubsidized employment.

17                   “(IV) Public sector employment,  
18                   work experience, or community serv-  
19                   ice.

20                   “(V) Job search.

21                   “(VI) Job skills training or on-  
22                   the-job training.

23                   “(VII) Vocational education.

1           “(xii) Information necessary to cal-  
2           culate participation rates under section  
3           407.

4           “(xiii) The type and amount of assist-  
5           ance received under the program, including  
6           the amount of and reason for any reduc-  
7           tion of assistance (including sanctions).

8           “(xiv) Any amount of unearned in-  
9           come received by any member of the fam-  
10          ily.

11          “(xv) The citizenship of the members  
12          of the family.

13          “(xvi) From a sample of closed cases,  
14          whether the family left the program, and if  
15          so, whether the family left due to—

16               “(I) employment;

17               “(II) marriage;

18               “(III) the prohibition set forth in  
19          section 408(a)(7);

20               “(IV) sanction; or

21               “(V) State policy.

22          “(B) USE OF ESTIMATES.—

23               “(i) AUTHORITY.—A State may com-  
24          ply with subparagraph (A) by submitting  
25          an estimate which is obtained through the

1 use of scientifically acceptable sampling  
2 methods approved by the Secretary.

3 “(ii) SAMPLING AND OTHER METH-  
4 ODS.—The Secretary shall provide the  
5 States with such case sampling plans and  
6 data collection procedures as the Secretary  
7 deems necessary to produce statistically  
8 valid estimates of the performance of State  
9 programs funded under this part. The Sec-  
10 retary may develop and implement proce-  
11 dures for verifying the quality of data sub-  
12 mitted by the States.

13 “(2) REPORT ON USE OF FEDERAL FUNDS TO  
14 COVER ADMINISTRATIVE COSTS AND OVERHEAD.—  
15 The report required by paragraph (1) for a fiscal  
16 quarter shall include a statement of the percentage  
17 of the funds paid to the State under this part for  
18 the quarter that are used to cover administrative  
19 costs or overhead.

20 “(3) REPORT ON STATE EXPENDITURES ON  
21 PROGRAMS FOR NEEDY FAMILIES.—The report re-  
22 quired by paragraph (1) for a fiscal quarter shall in-  
23 clude a statement of the total amount expended by  
24 the State during the quarter on programs for needy  
25 families.

1           “(4) REPORT ON NONCUSTODIAL PARENTS PAR-  
2           TICIPATING IN WORK ACTIVITIES.—The report re-  
3           quired by paragraph (1) for a fiscal quarter shall in-  
4           clude the number of noncustodial parents in the  
5           State who participated in work activities (as defined  
6           in section 407(d)) during the quarter.

7           “(5) REPORT ON TRANSITIONAL SERVICES.—  
8           The report required by paragraph (1) for a fiscal  
9           quarter shall include the total amount expended by  
10          the State during the quarter to provide transitional  
11          services to a family that has ceased to receive assist-  
12          ance under this part because of employment, along  
13          with a description of such services.

14          “(6) REPORT ON THOSE WHO HAVE LEFT THE  
15          PROGRAM BECAUSE OF EMPLOYMENT.—The report  
16          required by paragraph (1) for a fiscal quarter shall  
17          include such information as the Secretary may re-  
18          quire to enable the Secretary to verify that those  
19          who have become ineligible to receive assistance  
20          under the State program because of employment  
21          have not received cash assistance under the program  
22          in the fiscal year in which the quarter occurs.

23          “(7) REGULATIONS.—The Secretary shall pre-  
24          scribe such regulations as may be necessary to de-

1       fine the data elements with respect to which reports  
2       are required by this subsection.

3       “(b) ANNUAL REPORTS TO THE CONGRESS BY THE  
4       SECRETARY.—Not later than 6 months after the end of  
5       fiscal year 1997, and each fiscal year thereafter, the Sec-  
6       retary shall transmit to the Congress a report describ-  
7       ing—

8               “(1) whether the States are meeting—

9                       “(A) the participation rates described in  
10                      section 407(a); and

11                     “(B) the objectives of—

12                               “(i) increasing employment and earn-  
13                               ings of needy families, and child support  
14                               collections; and

15                              “(ii) decreasing out-of-wedlock preg-  
16                              nancies and child poverty;

17               “(2) the demographic and financial characteris-  
18       tics of families applying for assistance, families re-  
19       ceiving assistance, and families that become ineli-  
20       gible to receive assistance;

21               “(3) the characteristics of each State program  
22       funded under this part; and

23               “(4) the trends in employment and earnings of  
24       needy families with minor children living at home.

1   **“SEC. 412. DIRECT FUNDING AND ADMINISTRATION BY IN-**  
2                   **DIAN TRIBES.**

3           “(a) GRANTS FOR INDIAN TRIBES.—

4                   “(1) TRIBAL FAMILY ASSISTANCE GRANT.—

5                           “(A) IN GENERAL.—For each of fiscal  
6                   years 1997, 1998, 1999, and 2000, the Sec-  
7                   retary shall pay to each Indian tribe that has  
8                   an approved tribal family assistance plan a trib-  
9                   al family assistance grant for the fiscal year in  
10                  an amount equal to the amount determined  
11                  under subparagraph (B), and shall reduce the  
12                  grant payable under section 403(a)(1) to any  
13                  State in which lies the service area or areas of  
14                  the Indian tribe by that portion of the amount  
15                  so determined that is attributable to expendi-  
16                  tures by the State.

17                   “(B) AMOUNT DETERMINED.—

18                           “(i) IN GENERAL.—The amount de-  
19                   termined under this subparagraph is an  
20                   amount equal to the total amount of the  
21                   Federal payments to a State or States  
22                   under section 403 (as in effect during such  
23                   fiscal year) for fiscal year 1994 attrib-  
24                   utable to expenditures (other than child  
25                   care expenditures) by the State or States  
26                   under parts A and F (as so in effect) for

1 fiscal year 1994 for Indian families resid-  
2 ing in the service area or areas identified  
3 by the Indian tribe pursuant to subsection  
4 (b)(1)(C) of this section.

5 “(ii) USE OF STATE SUBMITTED  
6 DATA.—

7 “(I) IN GENERAL.—The Sec-  
8 retary shall use State submitted data  
9 to make each determination under  
10 clause (i).

11 “(II) DISAGREEMENT WITH DE-  
12 TERMINATION.—If an Indian tribe or  
13 tribal organization disagrees with  
14 State submitted data described under  
15 subclause (I), the Indian tribe or trib-  
16 al organization may submit to the  
17 Secretary such additional information  
18 as may be relevant to making the de-  
19 termination under clause (i) and the  
20 Secretary may consider such informa-  
21 tion before making such determina-  
22 tion.

23 “(2) GRANTS FOR INDIAN TRIBES THAT RE-  
24 CEIVED JOBS FUNDS.—

1           “(A) IN GENERAL.—The Secretary shall  
2           pay to each eligible Indian tribe for each of fis-  
3           cal years 1996, 1997, 1998, 1999, and 2000 a  
4           grant in an amount equal to the amount re-  
5           ceived by the Indian tribe in fiscal year 1994  
6           under section 482(i) (as in effect during fiscal  
7           year 1994).

8           “(B) ELIGIBLE INDIAN TRIBE.—For pur-  
9           poses of subparagraph (A), the term ‘eligible  
10          Indian tribe’ means an Indian tribe or Alaska  
11          Native organization that conducted a job oppor-  
12          tunities and basic skills training program in fis-  
13          cal year 1995 under section 482(i) (as in effect  
14          during fiscal year 1995).

15          “(C) USE OF GRANT.—Each Indian tribe  
16          to which a grant is made under this paragraph  
17          shall use the grant for the purpose of operating  
18          a program to make work activities available to  
19          members of the Indian tribe.

20          “(D) APPROPRIATION.—Out of any money  
21          in the Treasury of the United States not other-  
22          wise appropriated, there are appropriated  
23          \$7,638,474 for each fiscal year specified in sub-  
24          paragraph (A) for grants under subparagraph  
25          (A).



1 “(b) 3-YEAR TRIBAL FAMILY ASSISTANCE PLAN.—

2 “(1) IN GENERAL.—Any Indian tribe that de-  
3 sires to receive a tribal family assistance grant shall  
4 submit to the Secretary a 3-year tribal family assist-  
5 ance plan that—

6 “(A) outlines the Indian tribe’s approach  
7 to providing welfare-related services for the 3-  
8 year period, consistent with this section;

9 “(B) specifies whether the welfare-related  
10 services provided under the plan will be pro-  
11 vided by the Indian tribe or through agree-  
12 ments, contracts, or compacts with intertribal  
13 consortia, States, or other entities;

14 “(C) identifies the population and service  
15 area or areas to be served by such plan;

16 “(D) provides that a family receiving as-  
17 sistance under the plan may not receive duplica-  
18 tive assistance from other State or tribal pro-  
19 grams funded under this part;

20 “(E) identifies the employment opportuni-  
21 ties in or near the service area or areas of the  
22 Indian tribe and the manner in which the In-  
23 dian tribe will cooperate and participate in en-  
24 hancing such opportunities for recipients of as-

1           sistance under the plan consistent with any ap-  
2           plicable State standards; and

3           “(F) applies the fiscal accountability provi-  
4           sions of section 5(f)(1) of the Indian Self-De-  
5           termination and Education Assistance Act (25  
6           U.S.C. 450c(f)(1)), relating to the submission  
7           of a single-agency audit report required by  
8           chapter 75 of title 31, United States Code.

9           “(2) APPROVAL.—The Secretary shall approve  
10          each tribal family assistance plan submitted in ac-  
11          cordance with paragraph (1).

12          “(3) CONSORTIUM OF TRIBES.—Nothing in this  
13          section shall preclude the development and submis-  
14          sion of a single tribal family assistance plan by the  
15          participating Indian tribes of an intertribal consor-  
16          tium.

17          “(c) MINIMUM WORK PARTICIPATION REQUIRE-  
18          MENTS AND TIME LIMITS.—The Secretary, with the par-  
19          ticipation of Indian tribes, shall establish for each Indian  
20          tribe receiving a grant under this section minimum work  
21          participation requirements, appropriate time limits for re-  
22          ceipt of welfare-related services under the grant, and pen-  
23          alties against individuals—

24                 “(1) consistent with the purposes of this sec-  
25          tion;

1           “(2) consistent with the economic conditions  
2           and resources available to each tribe; and

3           “(3) similar to comparable provisions in section  
4           407(d).

5           “(d) EMERGENCY ASSISTANCE.—Nothing in this sec-  
6           tion shall preclude an Indian tribe from seeking emergency  
7           assistance from any Federal loan program or emergency  
8           fund.

9           “(e) ACCOUNTABILITY.—Nothing in this section shall  
10          be construed to limit the ability of the Secretary to main-  
11          tain program funding accountability consistent with—

12           “(1) generally accepted accounting principles;  
13          and

14           “(2) the requirements of the Indian Self-Deter-  
15          mination and Education Assistance Act (25 U.S.C.  
16          450 et seq.).

17          “(f) PENALTIES.—

18           “(1) Subsections (a)(1), (a)(6), and (b) of sec-  
19          tion 409, shall apply to an Indian tribe with an ap-  
20          proved tribal assistance plan in the same manner as  
21          such subsections apply to a State.

22           “(2) Section 409(a)(3) shall apply to an Indian  
23          tribe with an approved tribal assistance plan by sub-  
24          stituting ‘meet minimum work participation require-

1       ments established under section 412(c)’ for ‘comply  
2       with section 407(a)’.

3       “(g) DATA COLLECTION AND REPORTING.—Section  
4       411 shall apply to an Indian tribe with an approved tribal  
5       family assistance plan.

6       “(h) SPECIAL RULE FOR INDIAN TRIBES IN ALAS-  
7       KA.—

8               “(1) IN GENERAL.—Notwithstanding any other  
9       provision of this section, and except as provided in  
10      paragraph (2), an Indian tribe in the State of Alas-  
11      ka that receives a tribal family assistance grant  
12      under this section shall use the grant to operate a  
13      program in accordance with requirements com-  
14      parable to the requirements applicable to the pro-  
15      gram of the State of Alaska funded under this part.  
16      Comparability of programs shall be established on  
17      the basis of program criteria developed by the Sec-  
18      retary in consultation with the State of Alaska and  
19      such Indian tribes.

20              “(2) WAIVER.—An Indian tribe described in  
21      paragraph (1) may apply to the appropriate State  
22      authority to receive a waiver of the requirement of  
23      paragraph (1).

1   **“SEC. 413. RESEARCH, EVALUATIONS, AND NATIONAL STUD-**  
2                                   **IES.**

3           “(a) RESEARCH.—The Secretary shall conduct re-  
4 search on the benefits, effects, and costs of operating dif-  
5 ferent State programs funded under this part, including  
6 time limits relating to eligibility for assistance. The re-  
7 search shall include studies on the effects of different pro-  
8 grams and the operation of such programs on welfare de-  
9 pendency, illegitimacy, teen pregnancy, employment rates,  
10 child well-being, and any other area the Secretary deems  
11 appropriate. The Secretary shall also conduct research on  
12 the costs and benefits of State activities under section  
13 409.

14           “(b) DEVELOPMENT AND EVALUATION OF INNOVA-  
15 TIVE APPROACHES TO REDUCING WELFARE DEPEND-  
16 ENCY AND INCREASING CHILD WELL-BEING.—

17           “(1) IN GENERAL.—The Secretary may assist  
18 States in developing, and shall evaluate, innovative  
19 approaches for reducing welfare dependency and in-  
20 creasing the well-being of minor children living at  
21 home with respect to recipients of assistance under  
22 programs funded under this part. The Secretary  
23 may provide funds for training and technical assist-  
24 ance to carry out the approaches developed pursuant  
25 to this paragraph.

1           “(2) EVALUATIONS.—In performing the evalua-  
2           tions under paragraph (1), the Secretary shall, to  
3           the maximum extent feasible, use random assign-  
4           ment as an evaluation methodology.

5           “(c) DISSEMINATION OF INFORMATION.—The Sec-  
6           retary shall develop innovative methods of disseminating  
7           information on any research, evaluations, and studies con-  
8           ducted under this section, including the facilitation of the  
9           sharing of information and best practices among States  
10          and localities through the use of computers and other  
11          technologies.

12          “(d) ANNUAL RANKING OF STATES AND REVIEW OF  
13          MOST AND LEAST SUCCESSFUL WORK PROGRAMS.—

14               “(1) ANNUAL RANKING OF STATES.—The Sec-  
15           retary shall rank annually the States to which  
16           grants are paid under section 403 in the order of  
17           their success in placing recipients of assistance  
18           under the State program funded under this part into  
19           long-term private sector jobs, reducing the overall  
20           welfare caseload, and, when a practicable method for  
21           calculating this information becomes available, di-  
22           verting individuals from formally applying to the  
23           State program and receiving assistance. In ranking  
24           States under this subsection, the Secretary shall  
25           take into account the average number of minor chil-

dren living at home in families in the State that have incomes below the poverty line and the amount of funding provided each State for such families.

“(2) ANNUAL REVIEW OF MOST AND LEAST SUCCESSFUL WORK PROGRAMS.—The Secretary shall review the programs of the 3 States most recently ranked highest under paragraph (1) and the 3 States most recently ranked lowest under paragraph (1) that provide parents with work experience, assistance in finding employment, and other work preparation activities and support services to enable the families of such parents to leave the program and become self-sufficient.

“(e) ANNUAL RANKING OF STATES AND REVIEW OF ISSUES RELATING TO OUT-OF-WEDLOCK BIRTHS.—

“(1) ANNUAL RANKING OF STATES.—

“(A) IN GENERAL.—The Secretary shall annually rank States to which grants are made under section 403 based on the following ranking factors:

“(i) ABSOLUTE OUT-OF-WEDLOCK RATIOS.—The ratio represented by—

“(I) the total number of out-of-wedlock births in families receiving assistance under the State program

1 under this part in the State for the  
2 most recent fiscal year for which in-  
3 formation is available; over

4 “(II) the total number of births  
5 in families receiving assistance under  
6 the State program under this part in  
7 the State for such year.

8 “(ii) NET CHANGES IN THE OUT-OF-  
9 WEDLOCK RATIO.—The difference between  
10 the ratio described in subparagraph (A)(i)  
11 with respect to a State for the most recent  
12 fiscal year for which such information is  
13 available and the ratio with respect to the  
14 State for the immediately preceding year.

15 “(2) ANNUAL REVIEW.—The Secretary shall re-  
16 view the programs of the 5 States most recently  
17 ranked highest under paragraph (1) and the 5  
18 States most recently ranked the lowest under para-  
19 graph (1).

20 “(f) STATE-INITIATED EVALUATIONS.—A State shall  
21 be eligible to receive funding to evaluate the State pro-  
22 gram funded under this part if—

23 “(1) the State submits a proposal to the Sec-  
24 retary for the evaluation;



1           “(2) the Secretary determines that the design  
2           and approach of the evaluation is rigorous and is  
3           likely to yield information that is credible and will  
4           be useful to other States, and

5           “(3) unless otherwise waived by the Secretary,  
6           the State contributes to the cost of the evaluation,  
7           from non-Federal sources, an amount equal to at  
8           least 10 percent of the cost of the evaluation.

9           “(g) FUNDING OF STUDIES AND DEMONSTRATIONS.—  
10

11           “(1) IN GENERAL.—Out of any money in the  
12           Treasury of the United States not otherwise appropriated,  
13           there are appropriated \$15,000,000 for each  
14           fiscal year specified in section 403(a)(1) for the purpose  
15           of paying—

16           “(A) the cost of conducting the research  
17           described in subsection (a);

18           “(B) the cost of developing and evaluating  
19           innovative approaches for reducing welfare dependency  
20           and increasing the well-being of minor  
21           children under subsection (b);

22           “(C) the Federal share of any State-initiated  
23           study approved under subsection (f); and

24           “(D) an amount determined by the Secretary  
25           to be necessary to operate and evaluate

1 demonstration projects, relating to this part,  
2 that are in effect or approved under section  
3 1115 as of September 30, 1995, and are contin-  
4 ued after such date.

5 “(2) ALLOCATION.—Of the amount appro-  
6 priated under paragraph (1) for a fiscal year—

7 “(A) 50 percent shall be allocated for the  
8 purposes described in subparagraphs (A) and  
9 (B) of paragraph (1), and

10 “(B) 50 percent shall be allocated for the  
11 purposes described in subparagraphs (C) and  
12 (D) of paragraph (1).

13 **“SEC. 414. STUDY BY THE CENSUS BUREAU.**

14 “(a) IN GENERAL.—The Bureau of the Census shall  
15 expand the Survey of Income and Program Participation  
16 as necessary to obtain such information as will enable in-  
17 terested persons to evaluate the impact of the amendments  
18 made by title I of the Personal Responsibility and Work  
19 Opportunity Act of 1996 on a random national sample of  
20 recipients of assistance under State programs funded  
21 under this part and (as appropriate) other low income  
22 families, and in doing so, shall pay particular attention  
23 to the issues of out-of-wedlock birth, welfare dependency,  
24 the beginning and end of welfare spells, and the causes  
25 of repeat welfare spells.

1       “(b) APPROPRIATION.—Out of any money in the  
2 Treasury of the United States not otherwise appropriated,  
3 there are appropriated \$10,000,000 for each of fiscal  
4 years 1996, 1997, 1998, 1999, 2000, 2001, and 2002 for  
5 payment to the Bureau of the Census to carry out sub-  
6 section (a).

7       **“SEC. 415. WAIVERS.**

8       “(a) CONTINUATION OF WAIVERS.—

9               “(1) WAIVERS IN EFFECT ON DATE OF ENACT-  
10       MENT OF WELFARE REFORM.—Except as provided  
11       in paragraph (3), if any waiver granted to a State  
12       under section 1115 or otherwise which relates to the  
13       provision of assistance under a State plan under this  
14       part (as in effect on September 30, 1995) is in ef-  
15       fect as of the date of the enactment of the Personal  
16       Responsibility and Work Opportunity Act of 1996,  
17       the amendments made by such Act shall not apply  
18       with respect to the State before the expiration (de-  
19       termined without regard to any extensions) of the  
20       waiver to the extent such amendments are inconsis-  
21       tent with the waiver.

22               “(2) WAIVERS GRANTED SUBSEQUENTLY.—Ex-  
23       cept as provided in paragraph (3), if any waiver  
24       granted to a State under section 1115 or otherwise  
25       which relates to the provision of assistance under a

1 State plan under this part (as in effect on Septem-  
2 ber 30, 1995) is submitted to the Secretary before  
3 the date of the enactment of the Personal Respon-  
4 sibility and Work Opportunity Act of 1996 and ap-  
5 proved by the Secretary on or before July 1, 1997,  
6 and the State demonstrates to the satisfaction of the  
7 Secretary that the waiver will not result in Federal  
8 expenditures under title IV of this Act (as in effect  
9 without regard to the amendments made by the Per-  
10 sonal Responsibility and Work Opportunity Act of  
11 1996) that are greater than would occur in the ab-  
12 sence of the waiver, the amendments made by the  
13 Personal Responsibility and Work Opportunity Act  
14 of 1996 shall not apply with respect to the State be-  
15 fore the expiration (determined without regard to  
16 any extensions) of the waiver to the extent the  
17 amendments made by the Personal Responsibility  
18 and Work Opportunity Act of 1996 are inconsistent  
19 with the waiver.

20 “(3) FINANCING LIMITATION.—Notwithstand-  
21 ing any other provision of law, beginning with fiscal  
22 year 1996, a State operating under a waiver de-  
23 scribed in paragraph (1) shall be entitled to payment  
24 under section 403 for the fiscal year, in lieu of any  
25 other payment provided for in the waiver.

1 “(b) STATE OPTION TO TERMINATE WAIVER.—

2 “(1) IN GENERAL.—A State may terminate a  
3 waiver described in subsection (a) before the expira-  
4 tion of the waiver.

5 “(2) REPORT.—A State which terminates a  
6 waiver under paragraph (1) shall submit a report to  
7 the Secretary summarizing the waiver and any avail-  
8 able information concerning the result or effect of  
9 the waiver.

10 “(3) HOLD HARMLESS PROVISION.—

11 “(A) IN GENERAL.—Notwithstanding any  
12 other provision of law, a State that, not later  
13 than the date described in subparagraph (B),  
14 submits a written request to terminate a waiver  
15 described in subsection (a) shall be held harm-  
16 less for accrued cost neutrality liabilities in-  
17 curred under the waiver.

18 “(B) DATE DESCRIBED.—The date de-  
19 scribed in this subparagraph is 90 days follow-  
20 ing the adjournment of the first regular session  
21 of the State legislature that begins after the  
22 date of the enactment of the Personal Respon-  
23 sibility and Work Opportunity Act of 1996.

24 “(c) SECRETARIAL ENCOURAGEMENT OF CURRENT  
25 WAIVERS.—The Secretary shall encourage any State oper-

1 ating a waiver described in subsection (a) to continue the  
 2 waiver and to evaluate, using random sampling and other  
 3 characteristics of accepted scientific evaluations, the result  
 4 or effect of the waiver.

5 “(d) CONTINUATION OF INDIVIDUAL WAIVERS.—A  
 6 State may elect to continue 1 or more individual waivers  
 7 described in subsection (a).

8 **“SEC. 416. ASSISTANT SECRETARY FOR FAMILY SUPPORT.**

9 “The programs under this part and part D shall be  
 10 administered by an Assistant Secretary for Family Sup-  
 11 port within the Department of Health and Human Serv-  
 12 ices, who shall be appointed by the President, by and with  
 13 the advice and consent of the Senate, and who shall be  
 14 in addition to any other Assistant Secretary of Health and  
 15 Human Services provided for by law.

16 **“SEC. 417. LIMITATION ON FEDERAL AUTHORITY.**

17 “No officer or employee of the Federal Government  
 18 may regulate the conduct of States under this part or en-  
 19 force any provision of this part, except to the extent ex-  
 20 pressly provided in this part.

21 **“SEC. 418. DEFINITIONS.**

22 “As used in this part:

23 “(1) ADULT.—The term ‘adult’ means an indi-  
 24 vidual who is not a minor child.

1           “(2) MINOR CHILD.—The term ‘minor child’  
2 means an individual who—

3                   “(A) has not attained 18 years of age; or

4                   “(B) has not attained 19 years of age and  
5 is a full-time student in a secondary school (or  
6 in the equivalent level of vocational or technical  
7 training).

8           “(3) FISCAL YEAR.—The term ‘fiscal year’  
9 means any 12-month period ending on September 30  
10 of a calendar year.

11           “(4) INDIAN, INDIAN TRIBE, AND TRIBAL ORGA-  
12 NIZATION.—

13                   “(A) IN GENERAL.—Except as provided in  
14 subparagraph (B), the terms ‘Indian’, ‘Indian  
15 tribe’, and ‘tribal organization’ have the mean-  
16 ing given such terms by section 4 of the Indian  
17 Self-Determination and Education Assistance  
18 Act (25 U.S.C. 450b).

19                   “(B) SPECIAL RULE FOR INDIAN TRIBES  
20 IN ALASKA.—The term ‘Indian tribe’ means,  
21 with respect to the State of Alaska, only the  
22 Metlakatla Indian Community of the Annette  
23 Islands Reserve and the following Alaska Native  
24 regional nonprofit corporations:

25                           “(i) Arctic Slope Native Association.

1 “(ii) Kawerak, Inc.

2 “(iii) Maniilaq Association.

3 “(iv) Association of Village Council  
4 Presidents.

5 “(v) Tanana Chiefs Conference.

6 “(vi) Cook Inlet Tribal Council.

7 “(vii) Bristol Bay Native Association.

8 “(viii) Aleutian and Pribilof Island  
9 Association.

10 “(ix) Chugachmuit.

11 “(x) Tlingit Haida Central Council.

12 “(xi) Kodiak Area Native Association.

13 “(xii) Copper River Native Associa-  
14 tion.

15 “(5) STATE.—Except as otherwise specifically  
16 provided, the term ‘State’ means the 50 States of  
17 the United States, the District of Columbia, the  
18 Commonwealth of Puerto Rico, the United States  
19 Virgin Islands, Guam, and American Samoa.”.

20 (b) GRANTS TO OUTLYING AREAS.—Section 1108  
21 (42 U.S.C. 1308) is amended—

22 (1) by redesignating subsection (c) as sub-  
23 section (g);

24 (2) by striking all that precedes subsection (c)  
25 and inserting the following:



1 **“SEC. 1108. ADDITIONAL GRANTS TO PUERTO RICO, THE**  
 2 **VIRGIN ISLANDS, GUAM, AND AMERICAN**  
 3 **SAMOA; LIMITATION ON TOTAL PAYMENTS.**

4 “(a) LIMITATION ON TOTAL PAYMENTS TO EACH  
 5 TERRITORY.—Notwithstanding any other provision of this  
 6 Act, the total amount certified by the Secretary of Health  
 7 and Human Services under titles I, X, XIV, and XVI,  
 8 under parts A, B, and E of title IV, and under subsection  
 9 (b) of this section, for payment to any territory for a fiscal  
 10 year shall not exceed the ceiling amount for the territory  
 11 for the fiscal year.

12 “(b) ENTITLEMENT TO MATCHING GRANT.—

13 “(1) IN GENERAL.—Each territory shall be en-  
 14 titled to receive from the Secretary for each fiscal  
 15 year a grant in an amount equal to 75 percent of  
 16 the amount (if any) by which—

17 “(A) the total expenditures of the territory  
 18 during the fiscal year under the territory pro-  
 19 grams funded under parts A, B, and E of title  
 20 IV; exceeds

21 “(B) the sum of—

22 “(i) the total amount required to be  
 23 paid to the territory (other than with re-  
 24 spect to child care) under former section  
 25 403 (as in effect on September 30, 1995)  
 26 for fiscal year 1995, which shall be deter-

1                   mined by applying subparagraphs (C) and  
2                   (D) of section 403(a)(1) to the territory;

3                   “(ii) the total amount required to be  
4                   paid to the territory under former section  
5                   434 (as so in effect) for fiscal year 1995;  
6                   and

7                   “(iii) the total amount expended by  
8                   the territory during fiscal year 1995 pur-  
9                   suant to parts A, B, and F of title IV (as  
10                  so in effect), other than for child care.

11                  “(2) USE OF GRANT.—Any territory to which a  
12                  grant is made under paragraph (1) may expend the  
13                  amount under any program operated or funded  
14                  under any provision of law specified in subsection  
15                  (a).

16                  “(c) DEFINITIONS.—As used in this section:

17                  “(1) TERRITORY.—The term ‘territory’ means  
18                  Puerto Rico, the Virgin Islands, Guam, and Amer-  
19                  ican Samoa.

20                  “(2) CEILING AMOUNT.—The term ‘ceiling  
21                  amount’ means, with respect to a territory and a fis-  
22                  cal year, the mandatory ceiling amount with respect  
23                  to the territory plus the discretionary ceiling amount  
24                  with respect to the territory, reduced for the fiscal  
25                  year in accordance with subsection (f).

1           “(3) MANDATORY CEILING AMOUNT.—The term  
2           ‘mandatory ceiling amount’ means—

3                   “(A) \$105,538,000 with respect to for  
4           Puerto Rico;

5                   “(B) \$4,902,000 with respect to Guam;

6                   “(C) \$3,742,000 with respect to the Virgin  
7           Islands; and

8                   “(D) \$1,122,000 with respect to American  
9           Samoa.

10           “(4) DISCRETIONARY CEILING AMOUNT.—The  
11           term ‘discretionary ceiling amount’ means, with re-  
12           spect to a territory and a fiscal year, the total  
13           amount appropriated pursuant to subsection (d)(3)  
14           for the fiscal year for payment to the territory.

15           “(5) TOTAL AMOUNT EXPENDED BY THE TER-  
16           RITORY.—The term ‘total amount expended by the  
17           territory’—

18                   “(A) does not include expenditures during  
19           the fiscal year from amounts made available by  
20           the Federal Government; and

21                   “(B) when used with respect to fiscal year  
22           1995, also does not include—

23                   “(i) expenditures during fiscal year  
24           1995 under subsection (g) or (i) of section

1 402 (as in effect on September 30, 1995);

2 or

3 “(ii) any expenditures during fiscal  
4 year 1995 for which the territory (but for  
5 section 1108, as in effect on September 30,  
6 1995) would have received reimbursement  
7 from the Federal Government.

8 “(d) DISCRETIONARY GRANTS.—

9 “(1) IN GENERAL.—The Secretary shall make a  
10 grant to each territory for any fiscal year in the  
11 amount appropriated pursuant to paragraph (3) for  
12 the fiscal year for payment to the territory.

13 “(2) USE OF GRANT.—Any territory to which a  
14 grant is made under paragraph (1) may expend the  
15 amount under any program operated or funded  
16 under any provision of law specified in subsection  
17 (a).

18 “(3) LIMITATION ON AUTHORIZATION OF AP-  
19 PROPRIATIONS.—For grants under paragraph (1),  
20 there are authorized to be appropriated to the Sec-  
21 retary for each fiscal year—

22 “(A) \$7,951,000 for payment to Puerto  
23 Rico;

24 “(B) \$345,000 for payment to Guam;

1                   “(C) \$275,000 for payment to the Virgin  
2                   Islands; and

3                   “(D) \$190,000 for payment to American  
4                   Samoa.

5           “(e) AUTHORITY TO TRANSFER FUNDS AMONG PRO-  
6 GRAMS.—Notwithstanding any other provision of this Act,  
7 any territory to which an amount is paid under any provi-  
8 sion of law specified in subsection (a) may use part or  
9 all of the amount to carry out any program operated by  
10 the territory, or funded, under any other such provision  
11 of law.

12          “(f) MAINTENANCE OF EFFORT.—The ceiling  
13 amount with respect to a territory shall be reduced for  
14 a fiscal year by an amount equal to the amount (if any)  
15 by which—

16               “(1) the total amount expended by the territory  
17               under all programs of the territory operated pursu-  
18               ant to the provisions of law specified in subsection  
19               (a) (as such provisions were in effect for fiscal year  
20               1995) for fiscal year 1995; exceeds

21               “(2) the total amount expended by the territory  
22               under all programs of the territory that are funded  
23               under the provisions of law specified in subsection  
24               (a) for the fiscal year that immediately precedes the

1       fiscal year referred to in the matter preceding para-  
2       graph (1).”; and

3               (3) by striking subsections (d) and (e).

4       (c) REPEAL OF PROVISIONS REQUIRING REDUCTION  
5 OF MEDICAID PAYMENTS TO STATES THAT REDUCE  
6 WELFARE PAYMENT LEVELS.—

7               (1) Section 1903(i) (42 U.S.C. 1396b(i)) is  
8       amended by striking paragraph (9).

9               (2) Section 1902 (42 U.S.C. 1396a) is amended  
10      by striking subsection (c).

11 **SEC. 104. SERVICES PROVIDED BY CHARITABLE, RELI-**  
12 **GIUS, OR PRIVATE ORGANIZATIONS.**

13       (a) IN GENERAL.—

14               (1) STATE OPTIONS.—A State may—

15                       (A) administer and provide services under  
16                       the programs described in subparagraphs (A)  
17                       and (B)(i) of paragraph (2) through contracts  
18                       with charitable, religious, or private organiza-  
19                       tions; and

20                       (B) provide beneficiaries of assistance  
21                       under the programs described in subparagraphs  
22                       (A) and (B)(ii) of paragraph (2) with certifi-  
23                       cates, vouchers, or other forms of disbursement  
24                       which are redeemable with such organizations.

1           (2) PROGRAMS DESCRIBED.—The programs de-  
2       scribed in this paragraph are the following pro-  
3       grams:

4           (A) A State program funded under part A  
5       of title IV of the Social Security Act (as amend-  
6       ed by section 103(a) of this Act).

7           (B) Any other program established or  
8       modified under title I, II, or VI of this Act,  
9       that—

10           (i) permits contracts with organiza-  
11       tions; or

12           (ii) permits certificates, vouchers, or  
13       other forms of disbursement to be provided  
14       to beneficiaries, as a means of providing  
15       assistance.

16       (b) RELIGIOUS ORGANIZATIONS.—The purpose of  
17   this section is to allow States to contract with religious  
18   organizations, or to allow religious organizations to accept  
19   certificates, vouchers, or other forms of disbursement  
20   under any program described in subsection (a)(2), on the  
21   same basis as any other nongovernmental provider without  
22   impairing the religious character of such organizations,  
23   and without diminishing the religious freedom of bene-  
24   ficiaries of assistance funded under such program.

1       (c) NONDISCRIMINATION AGAINST RELIGIOUS ORGA-  
 2       NIZATIONS.—In the event a State exercises its authority  
 3       under subsection (a), religious organizations are eligible,  
 4       on the same basis as any other private organization, as  
 5       contractors to provide assistance, or to accept certificates,  
 6       vouchers, or other forms of disbursement, under any pro-  
 7       gram described in subsection (a)(2) so long as the pro-  
 8       grams are implemented consistent with the Establishment  
 9       Clause of the United States Constitution. Except as pro-  
 10      vided in subsection (k), neither the Federal Government  
 11      nor a State receiving funds under such programs shall dis-  
 12      criminate against an organization which is or applies to  
 13      be a contractor to provide assistance, or which accepts cer-  
 14      tificates, vouchers, or other forms of disbursement, on the  
 15      basis that the organization has a religious character.

16      (d) RELIGIOUS CHARACTER AND FREEDOM.—

17           (1) RELIGIOUS ORGANIZATIONS.—A religious  
 18      organization with a contract described in subsection  
 19      (a)(1)(A), or which accepts certificates, vouchers, or  
 20      other forms of disbursement under subsection  
 21      (a)(1)(B), shall retain its independence from Fed-  
 22      eral, State, and local governments, including such  
 23      organization's control over the definition, develop-  
 24      ment, practice, and expression of its religious beliefs.



1           (2) ADDITIONAL SAFEGUARDS.—Neither the  
2       Federal Government nor a State shall require a reli-  
3       gious organization to—

4                   (A) alter its form of internal governance;

5                   or

6                   (B) remove religious art, icons, scripture,  
7       or other symbols;

8       in order to be eligible to contract to provide assist-  
9       ance, or to accept certificates, vouchers, or other  
10      forms of disbursement, funded under a program de-  
11      scribed in subsection (a)(2).

12      (e) RIGHTS OF BENEFICIARIES OF ASSISTANCE.—

13           (1) IN GENERAL.—If an individual described in  
14      paragraph (2) has an objection to the religious char-  
15      acter of the organization or institution from which  
16      the individual receives, or would receive, assistance  
17      funded under any program described in subsection  
18      (a)(2), the State in which the individual resides shall  
19      provide such individual (if otherwise eligible for such  
20      assistance) within a reasonable period of time after  
21      the date of such objection with assistance from an  
22      alternative provider that is accessible to the individ-  
23      ual and the value of which is not less than the value  
24      of the assistance which the individual would have re-  
25      ceived from such organization.

1           (2) INDIVIDUAL DESCRIBED.—An individual de-  
 2       scribed in this paragraph is an individual who re-  
 3       ceives, applies for, or requests to apply for, assist-  
 4       ance under a program described in subsection (a)(2).

5       (f) EMPLOYMENT PRACTICES.—A religious organiza-  
 6       tion's exemption provided under section 702 of the Civil  
 7       Rights Act of 1964 (42 U.S.C. 2000e–1a) regarding em-  
 8       ployment practices shall not be affected by its participa-  
 9       tion in, or receipt of funds from, programs described in  
 10      subsection (a)(2).

11      (g)     NONDISCRIMINATION     AGAINST     BENE-  
 12      FICIARIES.—Except as otherwise provided in law, a reli-  
 13      gious organization shall not discriminate against an indi-  
 14      vidual in regard to rendering assistance funded under any  
 15      program described in subsection (a)(2) on the basis of reli-  
 16      gion, a religious belief, or refusal to actively participate  
 17      in a religious practice.

18      (h) FISCAL ACCOUNTABILITY.—

19           (1) IN GENERAL.—Except as provided in para-  
 20      graph (2), any religious organization contracting to  
 21      provide assistance funded under any program de-  
 22      scribed in subsection (a)(2) shall be subject to the  
 23      same regulations as other contractors to account in  
 24      accord with generally accepted auditing principles

1       for the use of such funds provided under such pro-  
2       grams.

3           (2) LIMITED AUDIT.—If such organization seg-  
4       regates Federal funds provided under such programs  
5       into separate accounts, then only the financial as-  
6       sistance provided with such funds shall be subject to  
7       audit.

8           (i) COMPLIANCE.—Any party which seeks to enforce  
9       its rights under this section may assert a civil action for  
10      injunctive relief exclusively in an appropriate State court  
11      against the entity or agency that allegedly commits such  
12      violation.

13          (j) LIMITATIONS ON USE OF FUNDS FOR CERTAIN  
14      PURPOSES.—No funds provided directly to institutions or  
15      organizations to provide services and administer programs  
16      under subsection (a)(1)(A) shall be expended for sectarian  
17      worship, instruction, or proselytization.

18          (k) PREEMPTION.—Nothing in this section shall be  
19      construed to preempt any provision of a State constitution  
20      or State statute that prohibits or restricts the expenditure  
21      of State funds in or by religious organizations.

22      **SEC. 105. CENSUS DATA ON GRANDPARENTS AS PRIMARY**  
23                                      **CAREGIVERS FOR THEIR GRANDCHILDREN.**

24          (a) IN GENERAL.—Not later than 90 days after the  
25      date of the enactment of this Act, the Secretary of Com-

1 merce, in carrying out section 141 of title 13, United  
2 States Code, shall expand the data collection efforts of the  
3 Bureau of the Census (in this section referred to as the  
4 “Bureau”) to enable the Bureau to collect statistically sig-  
5 nificant data, in connection with its decennial census and  
6 its mid-decade census, concerning the growing trend of  
7 grandparents who are the primary caregivers for their  
8 grandchildren.

9 (b) EXPANDED CENSUS QUESTION.—In carrying out  
10 subsection (a), the Secretary of Commerce shall expand  
11 the Bureau’s census question that details households  
12 which include both grandparents and their grandchildren.  
13 The expanded question shall be formulated to distinguish  
14 between the following households:

15 (1) A household in which a grandparent tempo-  
16 rarily provides a home for a grandchild for a period  
17 of weeks or months during periods of parental dis-  
18 tress.

19 (2) A household in which a grandparent pro-  
20 vides a home for a grandchild and serves as the pri-  
21 mary caregiver for the grandchild.

22 **SEC. 106. REPORT ON DATA PROCESSING.**

23 (a) IN GENERAL.—Within 6 months after the date  
24 of the enactment of this Act, the Secretary of Health and

1 Human Services shall prepare and submit to the Congress  
2 a report on—

3 (1) the status of the automated data processing  
4 systems operated by the States to assist manage-  
5 ment in the administration of State programs under  
6 part A of title IV of the Social Security Act (wheth-  
7 er in effect before or after October 1, 1995); and

8 (2) what would be required to establish a sys-  
9 tem capable of—

10 (A) tracking participants in public pro-  
11 grams over time; and

12 (B) checking case records of the States to  
13 determine whether individuals are participating  
14 in public programs of 2 or more States.

15 (b) PREFERRED CONTENTS.—The report required by  
16 subsection (a) should include—

17 (1) a plan for building on the automated data  
18 processing systems of the States to establish a sys-  
19 tem with the capabilities described in subsection  
20 (a)(2); and

21 (2) an estimate of the amount of time required  
22 to establish such a system and of the cost of estab-  
23 lishing such a system.

1 **SEC. 107. STUDY ON ALTERNATIVE OUTCOMES MEASURES.**

2 (a) STUDY.—The Secretary shall, in cooperation with  
3 the States, study and analyze outcomes measures for eval-  
4 uating the success of the States in moving individuals out  
5 of the welfare system through employment as an alter-  
6 native to the minimum participation rates described in  
7 section 407 of the Social Security Act. The study shall  
8 include a determination as to whether such alternative  
9 outcomes measures should be applied on a national or a  
10 State-by-State basis and a preliminary assessment of the  
11 effects of section 409(a)(7)(C) of such Act.

12 (b) REPORT.—Not later than September 30, 1998,  
13 the Secretary shall submit to the Committee on Finance  
14 of the Senate and the Committee on Ways and Means of  
15 the House of Representatives a report containing the find-  
16 ings of the study required by subsection (a).

17 **SEC. 108. CONFORMING AMENDMENTS TO THE SOCIAL SE-**  
18 **CURITY ACT.**

19 (a) AMENDMENTS TO TITLE II.—

20 (1) Section 205(c)(2)(C)(vi) (42 U.S.C.  
21 405(c)(2)(C)(vi)), as so redesignated by section  
22 321(a)(9)(B) of the Social Security Independence  
23 and Program Improvements Act of 1994, is amend-  
24 ed—

1 (A) by inserting “an agency administering  
2 a program funded under part A of title IV or”  
3 before “an agency operating”; and

4 (B) by striking “A or D of title IV of this  
5 Act” and inserting “D of such title”.

6 (2) Section 228(d)(1) (42 U.S.C. 428(d)(1)) is  
7 amended by inserting “under a State program fund-  
8 ed under” before “part A of title IV”.

9 (b) AMENDMENTS TO PART D OF TITLE IV.—

10 (1) Section 451 (42 U.S.C. 651) is amended by  
11 striking “aid” and inserting “assistance under a  
12 State program funded”.

13 (2) Section 452(a)(10)(C) (42 U.S.C.  
14 652(a)(10)(C)) is amended—

15 (A) by striking “aid to families with de-  
16 pendent children” and inserting “assistance  
17 under a State program funded under part A”;

18 (B) by striking “such aid” and inserting  
19 “such assistance”; and

20 (C) by striking “under section 402(a)(26)  
21 or” and inserting “pursuant to section  
22 408(a)(3) or under section”.

23 (3) Section 452(a)(10)(F) (42 U.S.C.  
24 652(a)(10)(F)) is amended—

1 (A) by striking “aid under a State plan ap-  
2 proved” and inserting “assistance under a State  
3 program funded”; and

4 (B) by striking “in accordance with the  
5 standards referred to in section  
6 402(a)(26)(B)(ii)” and inserting “by the  
7 State”.

8 (4) Section 452(b) (42 U.S.C. 652(b)) is  
9 amended in the first sentence by striking “aid under  
10 the State plan approved under part A” and inserting  
11 “assistance under the State program funded under  
12 part A”.

13 (5) Section 452(d)(3)(B)(i) (42 U.S.C.  
14 652(d)(3)(B)(i)) is amended by striking “1115(c)”  
15 and inserting “1115(b)”.

16 (6) Section 452(g)(2)(A)(ii)(I) (42 U.S.C.  
17 652(g)(2)(A)(ii)(I)) is amended by striking “aid is  
18 being paid under the State’s plan approved under  
19 part A or E” and inserting “assistance is being pro-  
20 vided under the State program funded under part  
21 A”.

22 (7) Section 452(g)(2)(A) (42 U.S.C.  
23 652(g)(2)(A)) is amended in the matter following  
24 clause (iii) by striking “aid was being paid under the  
25 State’s plan approved under part A or E” and in-



1       serting “assistance was being provided under the  
2       State program funded under part A”.

3           (8) Section 452(g)(2) (42 U.S.C. 652(g)(2)) is  
4       amended in the matter following subparagraph  
5       (B)—

6           (A) by striking “who is a dependent child”  
7       and inserting “with respect to whom assistance  
8       is being provided under the State program  
9       funded under part A”;

10          (B) by inserting “by the State agency”  
11       after “found”; and

12          (C) by striking “to have good cause for re-  
13       fusing to cooperate under section 402(a)(26)”  
14       and inserting “to qualify for a good cause or  
15       other exception to cooperate pursuant to section  
16       454(29)”.

17       (9) Section 452(h) (42 U.S.C. 652(h)) is  
18       amended by striking “under section 402(a)(26)” and  
19       inserting “pursuant to section 408(a)(3)”.

20       (10) Section 453(c)(3) (42 U.S.C. 653(c)(3)) is  
21       amended by striking “aid under part A of this title”  
22       and inserting “assistance under a State program  
23       funded under part A”.

24       (11) Section 454(5)(A) (42 U.S.C. 654(5)(A)))  
25       is amended—

1 (A) by striking “under section 402(a)(26)”  
 2 and inserting “pursuant to section 408(a)(3)”;  
 3 and

4 (B) by striking “; except that this para-  
 5 graph shall not apply to such payments for any  
 6 month following the first month in which the  
 7 amount collected is sufficient to make such  
 8 family ineligible for assistance under the State  
 9 plan approved under part A;” and inserting a  
 10 comma.

11 (12) Section 454(6)(D) (42 U.S.C. 654(6)(D))  
 12 is amended by striking “aid under a State plan ap-  
 13 proved” and inserting “assistance under a State pro-  
 14 gram funded”.

15 (13) Section 456(a)(1) (42 U.S.C. 656(a)(1)) is  
 16 amended by striking “under section 402(a)(26)”.

17 (14) Section 466(a)(3)(B) (42 U.S.C.  
 18 666(a)(3)(B)) is amended by striking “402(a)(26)”  
 19 and inserting “408(a)(3)”.

20 (15) Section 466(b)(2) (42 U.S.C. 666(b)(2)) is  
 21 amended by striking “aid” and inserting “assistance  
 22 under a State program funded”.

23 (16) Section 469(a) (42 U.S.C. 669(a)) is  
 24 amended—

1 (A) by striking “aid under plans approved”  
 2 and inserting “assistance under State programs  
 3 funded”; and

4 (B) by striking “such aid” and inserting  
 5 “such assistance”.

6 (c) REPEAL OF PART F OF TITLE IV.—Part F of  
 7 title IV (42 U.S.C. 681–687) is repealed.

8 (d) AMENDMENT TO TITLE X.—Section 1002(a)(7)  
 9 (42 U.S.C. 1202(a)(7)) is amended by striking “aid to  
 10 families with dependent children under the State plan ap-  
 11 proved under section 402 of this Act” and inserting “as-  
 12 sistance under a State program funded under part A of  
 13 title IV”.

14 (e) AMENDMENTS TO TITLE XI.—

15 (1) Section 1109 (42 U.S.C. 1309) is amended  
 16 by striking “or part A of title IV,”.

17 (2) Section 1115 (42 U.S.C. 1315) is amend-  
 18 ed—

19 (A) in subsection (a)(2)—

20 (i) by inserting “(A)” after “(2)”;

21 (ii) by striking “403,”;

22 (iii) by striking the period at the end  
 23 and inserting “, and”; and

24 (iv) by adding at the end the following  
 25 new subparagraph:

1           “(B) costs of such project which would not oth-  
 2           erwise be a permissible use of funds under part A  
 3           of title IV and which are not included as part of the  
 4           costs of projects under section 1110, shall to the ex-  
 5           tent and for the period prescribed by the Secretary,  
 6           be regarded as a permissible use of funds under  
 7           such part.”; and

8           (B) in subsection (c)(3), by striking  
 9           “under the program of aid to families with de-  
 10          pendent children” and inserting “part A of  
 11          such title”.

12          (3) Section 1116 (42 U.S.C. 1316) is amend-  
 13          ed—

14               (A) in each of subsections (a)(1), (b), and  
 15               (d), by striking “or part A of title IV,”; and

16               (B) in subsection (a)(3), by striking  
 17               “404,”.

18          (4) Section 1118 (42 U.S.C. 1318) is amend-  
 19          ed—

20               (A) by striking “403(a),”;

21               (B) by striking “and part A of title IV,”;

22          and

23               (C) by striking “, and shall, in the case of  
 24          American Samoa, mean 75 per centum with re-  
 25          spect to part A of title IV”.

1           (5) Section 1119 (42 U.S.C. 1319) is amend-  
2       ed—

3                   (A) by striking “or part A of title IV”; and  
4                   (B) by striking “403(a),”.

5           (6) Section 1133(a) (42 U.S.C. 1320b–3(a)) is  
6       amended by striking “or part A of title IV,”.

7           (7) Section 1136 (42 U.S.C. 1320b–6) is re-  
8       pealed.

9           (8) Section 1137 (42 U.S.C. 1320b–7) is  
10      amended—

11                   (A) in subsection (b), by striking para-  
12                   graph (1) and inserting the following:

13                   “(1) any State program funded under part A of  
14                   title IV of this Act;”; and

15                   (B) in subsection (d)(1)(B)—

16                           (i) by striking “In this subsection—”  
17                           and all that follows through “(ii) in” and  
18                           inserting “In this subsection, in”;

19                           (ii) by redesignating subclauses (I),  
20                           (II), and (III) as clauses (i), (ii), and (iii);  
21                           and

22                           (iii) by moving such redesignated ma-  
23                           terial 2 ems to the left.

24       (f) AMENDMENT TO TITLE XIV.—Section  
25   1402(a)(7) (42 U.S.C. 1352(a)(7)) is amended by striking

1 “aid to families with dependent children under the State  
 2 plan approved under section 402 of this Act” and insert-  
 3 ing “assistance under a State program funded under part  
 4 A of title IV”.

5 (g) AMENDMENT TO TITLE XVI AS IN EFFECT WITH  
 6 RESPECT TO THE TERRITORIES.—Section 1602(a)(11),  
 7 as in effect without regard to the amendment made by  
 8 section 301 of the Social Security Amendments of 1972  
 9 (42 U.S.C. 1382 note), is amended by striking “aid under  
 10 the State plan approved” and inserting “assistance under  
 11 a State program funded”.

12 (h) AMENDMENT TO TITLE XVI AS IN EFFECT WITH  
 13 RESPECT TO THE STATES.—Section 1611(c)(5)(A) (42  
 14 U.S.C. 1382(c)(5)(A)) is amended to read as follows: “(A)  
 15 a State program funded under part A of title IV,”.

16 (i) AMENDMENT TO TITLE XIX.—Section 1902(j)  
 17 (42 U.S.C. 1396a(j)) is amended by striking “1108(c)”  
 18 and inserting “1108(g)”.

19 **SEC. 109. CONFORMING AMENDMENTS TO THE FOOD**  
 20 **STAMP ACT OF 1977 AND RELATED PROVI-**  
 21 **SIONS.**

22 (a) Section 5 of the Food Stamp Act of 1977 (7  
 23 U.S.C. 2014) is amended—

24 (1) in the second sentence of subsection (a), by  
 25 striking “plan approved” and all that follows

1 through “title IV of the Social Security Act” and in-  
2 serting “program funded under part A of title IV of  
3 the Social Security Act (42 U.S.C. 601 et seq.)”;

4 (2) in subsection (d)—

5 (A) in paragraph (5), by striking “assist-  
6 ance to families with dependent children” and  
7 inserting “assistance under a State program  
8 funded”; and

9 (B) by striking paragraph (13) and redes-  
10 ignating paragraphs (14), (15), and (16) as  
11 paragraphs (13), (14), and (15), respectively;

12 (3) in subsection (j), by striking “plan approved  
13 under part A of title IV of such Act (42 U.S.C. 601  
14 et seq.)” and inserting “program funded under part  
15 A of title IV of the Act (42 U.S.C. 601 et seq.)”;  
16 and

17 (4) by striking subsection (m).

18 (b) Section 6 of such Act (7 U.S.C. 2015) is amend-  
19 ed—

20 (1) in subsection (c)(5), by striking “the State  
21 plan approved” and inserting “the State program  
22 funded”; and

23 (2) in subsection (e)(6), by striking “aid to  
24 families with dependent children” and inserting  
25 “benefits under a State program funded”.

1 (c) Section 16(g)(4) of such Act (7 U.S.C.  
2 2025(g)(4)) is amended by striking “State plans under the  
3 Aid to Families with Dependent Children Program under”  
4 and inserting “State programs funded under part A of”.

5 (d) Section 17 of such Act (7 U.S.C. 2026) is amend-  
6 ed—

7 (1) in the first sentence of subsection (b)(1)(A),  
8 by striking “to aid to families with dependent chil-  
9 dren under part A of title IV of the Social Security  
10 Act” and inserting “or are receiving assistance  
11 under a State program funded under part A of title  
12 IV of the Social Security Act (42 U.S.C. 601 et  
13 seq.)”; and

14 (2) in subsection (b)(3), by adding at the end  
15 the following new subparagraph:

16 “(I) The Secretary may not grant a waiver  
17 under this paragraph on or after October 1, 1995.  
18 Any reference in this paragraph to a provision of  
19 title IV of the Social Security Act shall be deemed  
20 to be a reference to such provision as in effect on  
21 September 30, 1995.”;

22 (e) Section 20 of such Act (7 U.S.C. 2029) is amend-  
23 ed—



1           (1) in subsection (a)(2)(B) by striking “operat-  
2           ing—” and all that follows through “(ii) any other”  
3           and inserting “operating any”; and

4           (2) in subsection (b)—

5                 (A) in paragraph (1)—

6                     (i) by striking “(b)(1) A household”  
7                     and inserting “(b) A household”; and

8                     (ii) in subparagraph (B), by striking  
9                     “training program” and inserting “activ-  
10                    ity”;

11                 (B) by striking paragraph (2); and

12                 (C) by redesignating subparagraphs (A)  
13                 through (F) as paragraphs (1) through (6), re-  
14                 spectively.

15         (f) Section 5(h)(1) of the Agriculture and Consumer  
16         Protection Act of 1973 (Public Law 93–186; 7 U.S.C.  
17         612c note) is amended by striking “the program for aid  
18         to families with dependent children” and inserting “the  
19         State program funded”.

20         (g) Section 9 of the National School Lunch Act (42  
21         U.S.C. 1758) is amended—

22                 (1) in subsection (b)—

23                     (A) in paragraph (2)(C)(ii)(II)—

(i) by striking “program for aid to families with dependent children” and inserting “State program funded”; and

(ii) by inserting before the period at the end the following: “that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995”; and

(B) in paragraph (6)—

(i) in subparagraph (A)(ii)—

(I) by striking “an AFDC assistance unit (under the aid to families with dependent children program authorized” and inserting “a family (under the State program funded”; and

(II) by striking “, in a State” and all that follows through “9902(2)))” and inserting “that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to

1 or more restrictive than those in effect  
2 on June 1, 1995”; and

3 (ii) in subparagraph (B), by striking  
4 “aid to families with dependent children”  
5 and inserting “assistance under the State  
6 program funded under part A of title IV of  
7 the Social Security Act (42 U.S.C. 601 et  
8 seq.) that the Secretary determines com-  
9 plies with standards established by the  
10 Secretary that ensure that the standards  
11 under the State program are comparable  
12 to or more restrictive than those in effect  
13 on June 1, 1995”; and

14 (2) in subsection (d)(2)(C)—

15 (A) by striking “program for aid to fami-  
16 lies with dependent children” and inserting  
17 “State program funded”; and

18 (B) by inserting before the period at the  
19 end the following: “that the Secretary deter-  
20 mines complies with standards established by  
21 the Secretary that ensure that the standards  
22 under the State program are comparable to or  
23 more restrictive than those in effect on June 1,  
24 1995”.

1 (h) Section 17(d)(2)(A)(ii)(II) of the Child Nutrition  
 2 Act of 1966 (42 U.S.C. 1786(d)(2)(A)(ii)(II)) is amend-  
 3 ed—

4 (1) by striking “program for aid to families  
 5 with dependent children established” and inserting  
 6 “State program funded”; and

7 (2) by inserting before the semicolon the follow-  
 8 ing: “that the Secretary determines complies with  
 9 standards established by the Secretary that ensure  
 10 that the standards under the State program are  
 11 comparable to or more restrictive than those in ef-  
 12 fect on June 1, 1995”.

13 **SEC. 110. CONFORMING AMENDMENTS TO OTHER LAWS.**

14 (a) Subsection (b) of section 508 of the Unemploy-  
 15 ment Compensation Amendments of 1976 (42 U.S.C.  
 16 603a; Public Law 94–566; 90 Stat. 2689) is amended to  
 17 read as follows:

18 “(b) PROVISION FOR REIMBURSEMENT OF EX-  
 19 PENSES.—For purposes of section 455 of the Social Secu-  
 20 rity Act, expenses incurred to reimburse State employment  
 21 offices for furnishing information requested of such of-  
 22 fices—

23 “(1) pursuant to the third sentence of section  
 24 3(a) of the Act entitled ‘An Act to provide for the  
 25 establishment of a national employment system and

1 for cooperation with the States in the promotion of  
2 such system, and for other purposes', approved June  
3 6, 1933 (29 U.S.C. 49b(a)), or

4 “(2) by a State or local agency charged with  
5 the duty of carrying a State plan for child support  
6 approved under part D of title IV of the Social Se-  
7 curity Act,

8 shall be considered to constitute expenses incurred in the  
9 administration of such State plan.”.

10 (b) Section 9121 of the Omnibus Budget Reconcili-  
11 ation Act of 1987 (42 U.S.C. 602 note) is repealed.

12 (c) Section 9122 of the Omnibus Budget Reconcili-  
13 ation Act of 1987 (42 U.S.C. 602 note) is repealed.

14 (d) Section 221 of the Housing and Urban-Rural Re-  
15 covery Act of 1983 (42 U.S.C. 602 note), relating to treat-  
16 ment under AFDC of certain rental payments for federally  
17 assisted housing, is repealed.

18 (e) Section 159 of the Tax Equity and Fiscal Respon-  
19 sibility Act of 1982 (42 U.S.C. 602 note) is repealed.

20 (f) Section 202(d) of the Social Security Amendments  
21 of 1967 (81 Stat. 882; 42 U.S.C. 602 note) is repealed.

22 (g) Section 903 of the Stewart B. McKinney Home-  
23 less Assistance Amendments Act of 1988 (42 U.S.C.  
24 11381 note), relating to demonstration projects to reduce  
25 number of AFDC families in welfare hotels, is amended—

1           (1) in subsection (a), by striking “aid to fami-  
2       lies with dependent children under a State plan ap-  
3       proved” and inserting “assistance under a State pro-  
4       gram funded”; and

5           (2) in subsection (c), by striking “aid to fami-  
6       lies with dependent children in the State under a  
7       State plan approved” and inserting “assistance in  
8       the State under a State program funded”.

9       (h) The Higher Education Act of 1965 (20 U.S.C.  
10 1001 et seq.) is amended—

11           (1) in section 404C(c)(3) (20 U.S.C. 1070a–  
12       23(c)(3)), by striking “(Aid to Families with De-  
13       pendent Children)”; and

14           (2) in section 480(b)(2) (20 U.S.C.  
15       1087vv(b)(2)), by striking “aid to families with de-  
16       pendent children under a State plan approved” and  
17       inserting “assistance under a State program fund-  
18       ed”.

19       (i) The Carl D. Perkins Vocational and Applied Tech-  
20       nology Education Act (20 U.S.C. 2301 et seq.) is amend-  
21       ed—

22           (1) in section 231(d)(3)(A)(ii) (20 U.S.C.  
23       2341(d)(3)(A)(ii)), by striking “the program for aid  
24       to dependent children” and inserting “the State pro-  
25       gram funded”;

1           (2) in section 232(b)(2)(B) (20 U.S.C.  
2       2341a(b)(2)(B)), by striking “the program for aid to  
3       families with dependent children” and inserting “the  
4       State program funded”; and

5           (3) in section 521(14)(B)(iii) (20 U.S.C.  
6       2471(14)(B)(iii)), by striking “the program for aid  
7       to families with dependent children” and inserting  
8       “the State program funded”.

9       (j) The Elementary and Secondary Education Act of  
10   1965 (20 U.S.C. 2701 et seq.) is amended—

11           (1) in section 1113(a)(5) (20 U.S.C.  
12       6313(a)(5)), by striking “Aid to Families with De-  
13       pendent Children Program” and inserting “State  
14       program funded under part A of title IV of the So-  
15       cial Security Act”;

16           (2) in section 1124(c)(5) (20 U.S.C.  
17       6333(c)(5)), by striking “the program of aid to fam-  
18       ilies with dependent children under a State plan ap-  
19       proved under” and inserting “a State program fund-  
20       ed under part A of”; and

21           (3) in section 5203(b)(2) (20 U.S.C.  
22       7233(b)(2))—

23                (A) in subparagraph (A)(xi), by striking  
24                “Aid to Families with Dependent Children ben-  
25                efits” and inserting “assistance under a State

1           program funded under part A of title IV of the  
2           Social Security Act”; and

3                   (B) in subparagraph (B)(viii), by striking  
4           “Aid to Families with Dependent Children” and  
5           inserting “assistance under the State program  
6           funded under part A of title IV of the Social  
7           Security Act”.

8           (k) Chapter VII of title I of Public Law 99–88 (25  
9           U.S.C. 13d–1) is amended to read as follows: “*Provided*  
10          *further*, That general assistance payments made by the  
11          Bureau of Indian Affairs shall be made—

12                   “(1) after April 29, 1985, and before October  
13          1, 1995, on the basis of Aid to Families with De-  
14          pendent Children (AFDC) standards of need; and

15                   “(2) on and after October 1, 1995, on the basis  
16          of standards of need established under the State  
17          program funded under part A of title IV of the So-  
18          cial Security Act,

19          except that where a State ratably reduces its AFDC or  
20          State program payments, the Bureau shall reduce general  
21          assistance payments in such State by the same percentage  
22          as the State has reduced the AFDC or State program pay-  
23          ment.”.

24           (l) The Internal Revenue Code of 1986 (26 U.S.C.  
25          1 et seq.) is amended—



1           (1) in section 51(d)(9) (26 U.S.C. 51(d)(9)), by  
 2           striking all that follows “agency as” and inserting  
 3           “being eligible for financial assistance under part A  
 4           of title IV of the Social Security Act and as having  
 5           continually received such financial assistance during  
 6           the 90-day period which immediately precedes the  
 7           date on which such individual is hired by the em-  
 8           ployer.”;

9           (2) in section 3304(a)(16) (26 U.S.C.  
 10          3304(a)(16)), by striking “eligibility for aid or serv-  
 11          ices,” and all that follows through “children ap-  
 12          proved” and inserting “eligibility for assistance, or  
 13          the amount of such assistance, under a State pro-  
 14          gram funded”;

15          (3) in section 6103(l)(7)(D)(i) (26 U.S.C.  
 16          6103(l)(7)(D)(i)), by striking “aid to families with  
 17          dependent children provided under a State plan ap-  
 18          proved” and inserting “a State program funded”;

19          (4) in section 6103(l)(10) (26 U.S.C.  
 20          6103(l)(10))—

21                 (A) by striking “(c) or (d)” each place it  
 22                 appears and inserting “(c), (d), or (e)”; and

23                 (B) by adding at the end of subparagraph  
 24                 (B) the following new sentence: “Any return in-  
 25                 formation disclosed with respect to section

1           6402(e) shall only be disclosed to officers and  
 2           employees of the State agency requesting such  
 3           information.”;

4           (5) in section 6103(p)(4) (26 U.S.C.  
 5           6103(p)(4)), in the matter preceding subparagraph  
 6           (A)—

7                   (A) by striking “(5), (10)” and inserting  
 8                   “(5)”; and

9                   (B) by striking “(9), or (12)” and insert-  
 10                  ing “(9), (10), or (12)”;

11           (6) in section 6334(a)(11)(A) (26 U.S.C.  
 12           6334(a)(11)(A)), by striking “(relating to aid to  
 13           families with dependent children)”;

14           (7) in section 6402 (26 U.S.C. 6402)—

15                   (A) in subsection (a), by striking “(c) and  
 16                   (d)” and inserting “(c), (d), and (e)”;

17                   (B) by redesignating subsections (e)  
 18                   through (i) as subsections (f) through (j), re-  
 19                   spectively; and

20                   (C) by inserting after subsection (d) the  
 21                   following:

22           “(e) COLLECTION OF OVERPAYMENTS UNDER TITLE  
 23   IV–A OF THE SOCIAL SECURITY ACT.—The amount of  
 24   any overpayment to be refunded to the person making the  
 25   overpayment shall be reduced (after reductions pursuant

1 to subsections (c) and (d), but before a credit against fu-  
 2 ture liability for an internal revenue tax) in accordance  
 3 with section 405(e) of the Social Security Act (concerning  
 4 recovery of overpayments to individuals under State plans  
 5 approved under part A of title IV of such Act).”; and

6 (8) in section 7523(b)(3)(C) (26 U.S.C.  
 7 7523(b)(3)(C)), by striking “aid to families with de-  
 8 pendent children” and inserting “assistance under a  
 9 State program funded under part A of title IV of the  
 10 Social Security Act”.

11 (m) Section 3(b) of the Wagner-Peyser Act (29  
 12 U.S.C. 49b(b)) is amended by striking “State plan ap-  
 13 proved under part A of title IV” and inserting “State pro-  
 14 gram funded under part A of title IV”.

15 (n) The Job Training Partnership Act (29 U.S.C.  
 16 1501 et seq.) is amended—

17 (1) in section 4(29)(A)(i) (29 U.S.C.  
 18 1503(29)(A)(i)), by striking “(42 U.S.C. 601 et  
 19 seq.)”;

20 (2) in section 106(b)(6)(C) (29 U.S.C.  
 21 1516(b)(6)(C)), by striking “State aid to families  
 22 with dependent children records,” and inserting  
 23 “records collected under the State program funded  
 24 under part A of title IV of the Social Security Act,”;

1           (3) in section 121(b)(2) (29 U.S.C.  
2 1531(b)(2))—

3           (A) by striking “the JOBS program” and  
4 inserting “the work activities required under  
5 title IV of the Social Security Act”; and

6           (B) by striking the second sentence;

7           (4) in section 123(c) (29 U.S.C. 1533(c))—

8           (A) in paragraph (1)(E), by repealing  
9 clause (vi); and

10          (B) in paragraph (2)(D), by repealing  
11 clause (v);

12          (5) in section 203(b)(3) (29 U.S.C.  
13 1603(b)(3)), by striking “, including recipients  
14 under the JOBS program”;

15          (6) in subparagraphs (A) and (B) of section  
16 204(a)(1) (29 U.S.C. 1604(a)(1) (A) and (B)), by  
17 striking “(such as the JOBS program)” each place  
18 it appears;

19          (7) in section 205(a) (29 U.S.C. 1605(a)), by  
20 striking paragraph (4) and inserting the following:

21           “(4) the portions of title IV of the Social Secu-  
22 rity Act relating to work activities;”;

23          (8) in section 253 (29 U.S.C. 1632)—

24           (A) in subsection (b)(2), by repealing sub-  
25 paragraph (C); and

1 (B) in paragraphs (1)(B) and (2)(B) of  
 2 subsection (c), by striking “the JOBS program  
 3 or” each place it appears;  
 4 (9) in section 264 (29 U.S.C. 1644)—

5 (A) in subparagraphs (A) and (B) of sub-  
 6 section (b)(1), by striking “(such as the JOBS  
 7 program)” each place it appears; and

8 (B) in subparagraphs (A) and (B) of sub-  
 9 section (d)(3), by striking “and the JOBS pro-  
 10 gram” each place it appears;

11 (10) in section 265(b) (29 U.S.C. 1645(b)), by  
 12 striking paragraph (6) and inserting the following:

13 “(6) the portion of title IV of the Social Secu-  
 14 rity Act relating to work activities;”;

15 (11) in the second sentence of section 429(e)  
 16 (29 U.S.C. 1699(e)), by striking “and shall be in an  
 17 amount that does not exceed the maximum amount  
 18 that may be provided by the State pursuant to sec-  
 19 tion 402(g)(1)(C) of the Social Security Act (42  
 20 U.S.C. 602(g)(1)(C))”;

21 (12) in section 454(c) (29 U.S.C. 1734(c)), by  
 22 striking “JOBS and”;

23 (13) in section 455(b) (29 U.S.C. 1735(b)), by  
 24 striking “the JOBS program,”;

1           (14) in section 501(1) (29 U.S.C. 1791(1)), by  
 2       striking “aid to families with dependent children  
 3       under part A of title IV of the Social Security Act  
 4       (42 U.S.C. 601 et seq.)” and inserting “assistance  
 5       under the State program funded under part A of  
 6       title IV of the Social Security Act”;

7           (15) in section 506(1)(A) (29 U.S.C.  
 8       1791e(1)(A)), by striking “aid to families with de-  
 9       pendent children” and inserting “assistance under  
 10      the State program funded”;

11          (16) in section 508(a)(2)(A) (29 U.S.C.  
 12      1791g(a)(2)(A)), by striking “aid to families with  
 13      dependent children” and inserting “assistance under  
 14      the State program funded”; and

15          (17) in section 701(b)(2)(A) (29 U.S.C.  
 16      1792(b)(2)(A))—

17               (A) in clause (v), by striking the semicolon  
 18               and inserting “; and”; and

19               (B) by striking clause (vi).

20          (o) Section 3803(c)(2)(C)(iv) of title 31, United  
 21      States Code, is amended to read as follows:

22               “(iv) assistance under a State pro-  
 23               gram funded under part A of title IV of  
 24               the Social Security Act”.

1       (p) Section 2605(b)(2)(A)(i) of the Low-Income  
2 Home Energy Assistance Act of 1981 (42 U.S.C.  
3 8624(b)(2)(A)(i)) is amended to read as follows:

4                       “(i) assistance under the State pro-  
5                       gram funded under part A of title IV of  
6                       the Social Security Act;”.

7       (q) Section 303(f)(2) of the Family Support Act of  
8 1988 (42 U.S.C. 602 note) is amended—

9               (1) by striking “(A)”; and

10              (2) by striking subparagraphs (B) and (C).

11       (r) The Balanced Budget and Emergency Deficit  
12 Control Act of 1985 (2 U.S.C. 900 et seq.) is amended—

13              (1) in the first section 255(h) (2 U.S.C.  
14 905(h)), by striking “Aid to families with dependent  
15 children (75–0412–0–1–609);” and inserting “Block  
16 grants to States for temporary assistance for needy  
17 families;”; and

18              (2) in section 256 (2 U.S.C. 906)—

19                      (A) by striking subsection (k); and

20                      (B) by redesignating subsection (l) as sub-  
21                      section (k).

22       (s) The Immigration and Nationality Act (8 U.S.C.  
23 1101 et seq.) is amended—

24              (1) in section 210(f) (8 U.S.C. 1160(f)), by  
25              striking “aid under a State plan approved under”

1       each place it appears and inserting “assistance  
2       under a State program funded under”;

3           (2) in section 245A(h) (8 U.S.C. 1255a(h))—

4           (A) in paragraph (1)(A)(i), by striking  
5       “program of aid to families with dependent chil-  
6       dren” and inserting “State program of assist-  
7       ance”; and

8           (B) in paragraph (2)(B), by striking “aid  
9       to families with dependent children” and insert-  
10       ing “assistance under a State program funded  
11       under part A of title IV of the Social Security  
12       Act”; and

13          (3) in section 412(e)(4) (8 U.S.C. 1522(e)(4)),  
14       by striking “State plan approved” and inserting  
15       “State program funded”.

16       (t) Section 640(a)(4)(B)(i) of the Head Start Act (42  
17       U.S.C. 9835(a)(4)(B)(i)) is amended by striking “pro-  
18       gram of aid to families with dependent children under a  
19       State plan approved” and inserting “State program of as-  
20       sistance funded”.

21       (u) Section 9 of the Act of April 19, 1950 (64 Stat.  
22       47, chapter 92; 25 U.S.C. 639) is repealed.

23       (v) Subparagraph (E) of section 213(d)(6) of the  
24       School-To-Work Opportunities Act of 1994 (20 U.S.C.  
25       6143(d)(6)) is amended to read as follows:



1           “(E) part A of title IV of the Social Secu-  
 2           rity Act (42 U.S.C. 601 et seq.) relating to  
 3           work activities;”.

4           (w) Section 552a(a)(8)(B)(iv)(III) of title 5, United  
 5           States Code, is amended by striking “section 464 or 1137  
 6           of the Social Security Act” and inserting “section 404(e),  
 7           464, or 1137 of the Social Security Act.”.

8   **SEC. 111. DEVELOPMENT OF PROTOTYPE OF COUNTER-**  
 9           **FEIT-RESISTANT SOCIAL SECURITY CARD RE-**  
 10           **QUIRED.**

11           (a) DEVELOPMENT.—

12           (1) IN GENERAL.—The Commissioner of Social  
 13           Security (in this section referred to as the “Commis-  
 14           sioner”) shall, in accordance with this section, de-  
 15           velop a prototype of a counterfeit-resistant social se-  
 16           curity card. Such prototype card shall—

17                   (A) be made of a durable, tamper-resistant  
 18                   material such as plastic or polyester,

19                   (B) employ technologies that provide secu-  
 20                   rity features, such as magnetic stripes,  
 21                   holograms, and integrated circuits, and

22                   (C) be developed so as to provide individ-  
 23                   uals with reliable proof of citizenship or legal  
 24                   resident alien status.

1           (2) ASSISTANCE BY ATTORNEY GENERAL.—The  
2     Attorney General of the United States shall provide  
3     such information and assistance as the Commis-  
4     sioner deems necessary to enable the Commissioner  
5     to comply with this section.

6     (b) STUDY AND REPORT.—

7           (1) IN GENERAL.—The Commissioner shall con-  
8     duct a study and issue a report to Congress which  
9     examines different methods of improving the social  
10    security card application process.

11          (2) ELEMENTS OF STUDY.—The study shall in-  
12    clude an evaluation of the cost and work load impli-  
13    cations of issuing a counterfeit-resistant social secu-  
14    rity card for all individuals over a 3-, 5-, and 10-  
15    year period. The study shall also evaluate the fea-  
16    sibility and cost implications of imposing a user fee  
17    for replacement cards and cards issued to individ-  
18    uals who apply for such a card prior to the sched-  
19    uled 3-, 5-, and 10-year phase-in options.

20          (3) DISTRIBUTION OF REPORT.—The Commis-  
21    sioner shall submit copies of the report described in  
22    this subsection along with a facsimile of the proto-  
23    type card as described in subsection (a) to the Com-  
24    mittees on Ways and Means and Judiciary of the  
25    House of Representatives and the Committees on Fi-

1 nance and Judiciary of the Senate within 1 year  
2 after the date of the enactment of this Act.

3 **SEC. 112. DISCLOSURE OF RECEIPT OF FEDERAL FUNDS.**

4 (a) IN GENERAL.—Whenever an organization that  
5 accepts Federal funds under this Act or the amendments  
6 made by this Act makes any communication that in any  
7 way intends to promote public support or opposition to  
8 any policy of a Federal, State, or local government  
9 through any broadcasting station, newspaper, magazine,  
10 outdoor advertising facility, direct mailing, or any other  
11 type of general public advertising, such communication  
12 shall state the following: “This was prepared and paid for  
13 by an organization that accepts taxpayer dollars.”.

14 (b) FAILURE TO COMPLY.—If an organization makes  
15 any communication described in subsection (a) and fails  
16 to provide the statement required by that subsection, such  
17 organization shall be ineligible to receive Federal funds  
18 under this Act or the amendments made by this Act.

19 (c) DEFINITION.—For purposes of this section, the  
20 term “organization” means an organization described in  
21 section 501(c) of the Internal Revenue Code of 1986.

22 (d) EFFECTIVE DATES.—This section shall take ef-  
23 fect—

24 (1) with respect to printed communications 1  
25 year after the date of enactment of this Act; and

1           (2) with respect to any other communication on  
2           the date of enactment of this Act.

3 **SEC. 113. MODIFICATIONS TO THE JOB OPPORTUNITIES**  
4 **FOR CERTAIN LOW-INCOME INDIVIDUALS**  
5 **PROGRAM.**

6           Section 505 of the Family Support Act of 1988 (42  
7 U.S.C. 1315 note) is amended—

8           (1) in the heading, by striking “**DEMONSTRA-**  
9 **TION**”;

10          (2) by striking “demonstration” each place such  
11 term appears;

12          (3) in subsection (a), by striking “in each of  
13 fiscal years” and all that follows through “10” and  
14 inserting “shall enter into agreements with”;

15          (4) in subsection (b)(3), by striking “aid to  
16 families with dependent children under part A of  
17 title IV of the Social Security Act” and inserting  
18 “assistance under the program funded part A of title  
19 IV of the Social Security Act of the State in which  
20 the individual resides”;

21          (5) in subsection (c)—

22               (A) in paragraph (1)(C), by striking “aid  
23 to families with dependent children under part  
24 A of title IV of the Social Security Act” and in-  
25 serting “assistance under a State program

1 funded part A of title IV of the Social Security  
2 Act”;

3 (B) in paragraph (2), by striking “aid to  
4 families with dependent children under title IV  
5 of such Act” and inserting “assistance under a  
6 State program funded part A of title IV of the  
7 Social Security Act”;

8 (6) in subsection (d), by striking “job opportu-  
9 nities and basic skills training program (as provided  
10 for under title IV of the Social Security Act)” and  
11 inserting “the State program funded under part A  
12 of title IV of the Social Security Act”; and

13 (7) by striking subsections (e) through (g) and  
14 inserting the following:

15 “(e) AUTHORIZATION OF APPROPRIATIONS.—For the  
16 purpose of conducting projects under this section, there  
17 is authorized to be appropriated an amount not to exceed  
18 \$25,000,000 for any fiscal year.”.

19 **SEC. 114. SECRETARIAL SUBMISSION OF LEGISLATIVE PRO-**  
20 **POSAL FOR TECHNICAL AND CONFORMING**  
21 **AMENDMENTS.**

22 Not later than 90 days after the date of the enact-  
23 ment of this Act, the Secretary of Health and Human  
24 Services and the Commissioner of Social Security, in con-  
25 sultation, as appropriate, with the heads of other Federal

1 agencies, shall submit to the appropriate committees of  
2 Congress a legislative proposal proposing such technical  
3 and conforming amendments as are necessary to bring the  
4 law into conformity with the policy embodied in this title.

5 **SEC. 115. EFFECTIVE DATE; TRANSITION RULE.**

6 (a) EFFECTIVE DATES.—

7 (1) IN GENERAL.—Except as otherwise pro-  
8 vided in this title, this title and the amendments  
9 made by this title shall take effect on July 1, 1997.

10 (2) DELAYED EFFECTIVE DATE FOR CERTAIN  
11 PROVISIONS.—Notwithstanding any other provision  
12 of this section, paragraphs (2), (3), (4), (5), (8), and  
13 (10) of section 409(a) and section 411(a) of the So-  
14 cial Security Act (as added by the amendment made  
15 by section 103(a) of this Act) shall not take effect  
16 with respect to a State until, and shall apply only  
17 with respect to conduct that occurs on or after, the  
18 later of—

19 (A) July 1, 1997; or

20 (B) the date that is 6 months after the  
21 date the Secretary of Health and Human Serv-  
22 ices receives from the State a plan described in  
23 section 402(a) of the Social Security Act (as  
24 added by such amendment).

1 (b) TRANSITION RULES.—Effective on the date of  
2 the enactment of this Act:

3 (1) STATE OPTION TO ACCELERATE EFFECTIVE  
4 DATE.—

5 (A) IN GENERAL.—If the Secretary of  
6 Health and Human Services receives from a  
7 State a plan described in section 402(a) of the  
8 Social Security Act (as added by the amend-  
9 ment made by section 103(a) of this Act),  
10 then—

11 (i) on and after the date of such re-  
12 ceipt—

13 (I) except as provided in clause  
14 (ii), this title and the amendments  
15 made by this title shall apply with re-  
16 spect to the State; and

17 (II) the State shall be considered  
18 an eligible State for purposes of part  
19 A of title IV of the Social Security  
20 Act (as in effect pursuant to the  
21 amendment made by such section  
22 103(a)); and

23 (ii) during the period that begins on  
24 the date of such receipt and ends on June

1           30, 1997, there shall remain in effect with  
2           respect to the State—

3                   (I) section 403(h) of the Social  
4                   Security Act (as in effect on Septem-  
5                   ber 30, 1995); and

6                   (II) all State reporting require-  
7                   ments under parts A and F of title IV  
8                   of the Social Security Act (as in effect  
9                   on September 30, 1995), modified by  
10                  the Secretary as appropriate, taking  
11                  into account the State program under  
12                  part A of title IV of the Social Secu-  
13                  rity Act (as in effect pursuant to the  
14                  amendment made by such section  
15                  103(a)).

16           (B) LIMITATIONS ON FEDERAL OBLIGA-  
17           TIONS.—

18                   (i) UNDER AFDC PROGRAM.—The  
19                   total obligations of the Federal Govern-  
20                   ment to a State under part A of title IV  
21                   of the Social Security Act (as in effect on  
22                   September 30, 1995) with respect to ex-  
23                   penditures in fiscal year 1997 shall not ex-  
24                   ceed an amount equal to the State family  
25                   assistance grant.



1           (ii) UNDER TEMPORARY FAMILY AS-  
2           SISTANCE       PROGRAM.—Notwithstanding  
3           section 403(a)(1) of the Social Security  
4           Act (as in effect pursuant to the amend-  
5           ment made by section 103(a) of this Act),  
6           the total obligations of the Federal Govern-  
7           ment to a State under such section  
8           403(a)(1)—

9                   (I) for fiscal year 1996, shall be  
10                  an amount equal to—

11                           (aa) the State family assist-  
12                           ance grant; multiplied by

13                               (bb)  $\frac{1}{366}$  of the number of  
14                           days during the period that be-  
15                           gins on the date the Secretary of  
16                           Health and Human Services first  
17                           receives from the State a plan  
18                           described in section 402(a) of the  
19                           Social Security Act (as added by  
20                           the amendment made by section  
21                           103(a) of this Act) and ends on  
22                           September 30, 1996; and

23                           (II) for fiscal year 1997, shall be  
24                  an amount equal to the lesser of—

1 (aa) the amount (if any) by  
2 which the State family assistance  
3 grant exceeds the total obliga-  
4 tions of the Federal Government  
5 to the State under part A of title  
6 IV of the Social Security Act (as  
7 in effect on September 30, 1995)  
8 with respect to expenditures in  
9 fiscal year 1997; or

10 (bb) the State family assist-  
11 ance grant, multiplied by  $\frac{1}{365}$  of  
12 the number of days during the  
13 period that begins on October 1,  
14 1996, or the date the Secretary  
15 of Health and Human Services  
16 first receives from the State a  
17 plan described in section 402(a)  
18 of the Social Security Act (as  
19 added by the amendment made  
20 by section 103(a) of this Act),  
21 whichever is later, and ends on  
22 September 30, 1997.

23 (iii) CHILD CARE OBLIGATIONS EX-  
24 CLUDED IN DETERMINING FEDERAL AFDC  
25 OBLIGATIONS.—As used in this subpara-

graph, the term “obligations of the Federal Government to the State under part A of title IV of the Social Security Act” does not include any obligation of the Federal Government with respect to child care expenditures by the State.

(C) SUBMISSION OF STATE PLAN FOR FISCAL YEAR 1996 OR 1997 DEEMED ACCEPTANCE OF GRANT LIMITATIONS AND FORMULA AND TERMINATION OF AFDC ENTITLEMENT.—The submission of a plan by a State pursuant to subparagraph (A) is deemed to constitute—

(i) the State’s acceptance of the grant reductions under subparagraph (B) (including the formula for computing the amount of the reduction); and

(ii) the termination of any entitlement of any individual or family to benefits or services under the State AFDC program.

(D) DEFINITIONS.—As used in this paragraph:

(i) STATE AFDC PROGRAM.—The term “State AFDC program” means the State program under parts A and F of title IV

1 of the Social Security Act (as in effect on  
2 September 30, 1995).

3 (ii) STATE.—The term “State” means  
4 the 50 States and the District of Colum-  
5 bia.

6 (iii) STATE FAMILY ASSISTANCE  
7 GRANT.—The term “State family assist-  
8 ance grant” means the State family assist-  
9 ance grant (as defined in section  
10 403(a)(1)(B) of the Social Security Act, as  
11 added by the amendment made by section  
12 103(a) of this Act).

13 (2) CLAIMS, ACTIONS, AND PROCEEDINGS.—

14 The amendments made by this title shall not apply  
15 with respect to—

16 (A) powers, duties, functions, rights,  
17 claims, penalties, or obligations applicable to  
18 aid, assistance, or services provided before the  
19 effective date of this title under the provisions  
20 amended; and

21 (B) administrative actions and proceedings  
22 commenced before such date, or authorized be-  
23 fore such date to be commenced, under such  
24 provisions.

1           (3) CLOSING OUT ACCOUNT FOR THOSE PRO-  
2       GRAMS TERMINATED OR SUBSTANTIALLY MODIFIED  
3       BY THIS TITLE.—In closing out accounts, Federal  
4       and State officials may use scientifically acceptable  
5       statistical sampling techniques. Claims made with  
6       respect to State expenditures under a State plan ap-  
7       proved under part A of title IV of the Social Secu-  
8       rity Act (as in effect on September 30, 1995) with  
9       respect to assistance or services provided on or be-  
10      fore September 30, 1995, shall be treated as claims  
11      with respect to expenditures during fiscal year 1995  
12      for purposes of reimbursement even if payment was  
13      made by a State on or after October 1, 1995. Each  
14      State shall complete the filing of all claims under the  
15      State plan (as so in effect) within 2 years after the  
16      date of the enactment of this Act. The head of each  
17      Federal department shall—

18                (A) use the single audit procedure to re-  
19                view and resolve any claims in connection with  
20                the close out of programs under such State  
21                plans; and

22                (B) reimburse States for any payments  
23                made for assistance or services provided during  
24                a prior fiscal year from funds for fiscal year

1           1995, rather than from funds authorized by  
2           this title.

3           (4) CONTINUANCE IN OFFICE OF ASSISTANT  
4           SECRETARY FOR FAMILY SUPPORT.—The individual  
5           who, on the day before the effective date of this title,  
6           is serving as Assistant Secretary for Family Support  
7           within the Department of Health and Human Serv-  
8           ices shall, until a successor is appointed to such po-  
9           sition—

10                   (A) continue to serve in such position; and

11                   (B) except as otherwise provided by law—

12                           (i) continue to perform the functions  
13                           of the Assistant Secretary for Family Sup-  
14                           port under section 417 of the Social Secu-  
15                           rity Act (as in effect before such effective  
16                           date); and

17                           (ii) have the powers and duties of the  
18                           Assistant Secretary for Family Support  
19                           under section 416 of the Social Security  
20                           Act (as in effect pursuant to the amend-  
21                           ment made by section 103(a) of this Act).

22           (c) TERMINATION OF ENTITLEMENT UNDER AFDC  
23           PROGRAM.—Effective October 1, 1996, no individual or  
24           family shall be entitled to any benefits or services under  
25           any State plan approved under part A or F of title IV

1 of the Social Security Act (as in effect on September 30,  
2 1995).

## 3 **TITLE II—SUPPLEMENTAL** 4 **SECURITY INCOME**

### 5 **SEC. 200. REFERENCE TO SOCIAL SECURITY ACT.**

6 Except as otherwise specifically provided, wherever in  
7 this title an amendment is expressed in terms of an  
8 amendment to or repeal of a section or other provision,  
9 the reference shall be considered to be made to that sec-  
10 tion or other provision of the Social Security Act.

## 11 **Subtitle A—Eligibility Restrictions**

### 12 **SEC. 201. DENIAL OF SSI BENEFITS FOR 10 YEARS TO INDIVIDUALS FOUND TO HAVE FRAUDULENTLY** 13 **MISREPRESENTED RESIDENCE IN ORDER TO** 14 **OBTAIN BENEFITS SIMULTANEOUSLY IN 2 OR** 15 **MORE STATES.**

17 (a) IN GENERAL.—Section 1611(e) (42 U.S.C.  
18 1382(e)), as amended by section 105(b)(4) of the Contract  
19 with America Advancement Act of 1996, is amended by  
20 redesignating paragraph (5) as paragraph (3) and by add-  
21 ing at the end the following new paragraph:

22 “(4)(A) No person shall be considered an eligible in-  
23 dividual or eligible spouse for purposes of this title during  
24 the 10-year period that begins on the date the person is  
25 convicted in Federal or State court of having made a

1 fraudulent statement or representation with respect to the  
 2 place of residence of the person in order to receive assist-  
 3 ance simultaneously from 2 or more States under pro-  
 4 grams that are funded under title IV, title XV, title XIX,  
 5 or the Food Stamp Act of 1977, or benefits in 2 or more  
 6 States under the supplemental security income program  
 7 under this title.

8 “(B) As soon as practicable after the conviction of  
 9 a person in a Federal or State court as described in sub-  
 10 paragraph (A), an official of such court shall notify the  
 11 Commissioner of such conviction.”.

12 (b) EFFECTIVE DATE.—The amendment made by  
 13 this section shall take effect on the date of the enactment  
 14 of this Act.

15 **SEC. 202. DENIAL OF SSI BENEFITS FOR FUGITIVE FELONS**  
 16 **AND PROBATION AND PAROLE VIOLATORS.**

17 (a) IN GENERAL.—Section 1611(e) (42 U.S.C.  
 18 1382(e)), as amended by section 201(a), is amended by  
 19 adding at the end the following new paragraph:

20 “(5) No person shall be considered an eligible individ-  
 21 ual or eligible spouse for purposes of this title with respect  
 22 to any month if during such month the person is—

23 “(A) fleeing to avoid prosecution, or custody or  
 24 confinement after conviction, under the laws of the  
 25 place from which the person flees, for a crime, or an



1 attempt to commit a crime, which is a felony under  
2 the laws of the place from which the person flees, or  
3 which, in the case of the State of New Jersey, is a  
4 high misdemeanor under the laws of such State; or  
5 “(B) violating a condition of probation or pa-  
6 role imposed under Federal or State law.”.

7 (b) EXCHANGE OF INFORMATION.—Section 1611(e)  
8 (42 U.S.C. 1382(e)), as amended by section 201(a) and  
9 subsection (a), is amended by adding at the end the follow-  
10 ing new paragraph:

11 “(6) Notwithstanding any other provision of law  
12 (other than section 6103 of the Internal Revenue Code  
13 of 1986), the Commissioner shall furnish any Federal,  
14 State, or local law enforcement officer, upon the written  
15 request of the officer, with the current address, Social Se-  
16 curity number, and photograph (if applicable) of any re-  
17 cipient of benefits under this title, if the officer furnishes  
18 the Commissioner with the name of the recipient, and  
19 other identifying information as reasonably required by  
20 the Commissioner to establish the unique identity of the  
21 recipient, and notifies the Commissioner that—

22 “(A) the recipient—

23 “(i) is described in subparagraph (A) or  
24 (B) of paragraph (5); or

1           “(ii) has information that is necessary for  
2           the officer to conduct the officer’s official du-  
3           ties; and

4           “(B) the location or apprehension of the recipi-  
5           ent is within the officer’s official duties.”.

6           (c) EFFECTIVE DATE.—The amendments made by  
7           this section shall take effect on the date of the enactment  
8           of this Act.

9   **SEC. 203. TREATMENT OF PRISONERS.**

10          (a) IMPLEMENTATION OF PROHIBITION AGAINST  
11          PAYMENT OF BENEFITS TO PRISONERS.—

12               (1) IN GENERAL.—Section 1611(e)(1) (42  
13          U.S.C. 1382(e)(1)) is amended by adding at the end  
14          the following new subparagraph:

15               “(I)(i) The Commissioner shall enter into a contract,  
16          with any interested State or local institution referred to  
17          in subparagraph (A), under which—

18                       “(I) the institution shall provide to the Com-  
19          missioner, on a monthly basis, the names, social se-  
20          curity account numbers, dates of birth, and such  
21          other identifying information concerning the inmates  
22          of the institution as the Commissioner may require  
23          for the purpose of carrying out paragraph (1); and

24                       “(II) the Commissioner shall pay to any such  
25          institution, with respect to each inmate of the insti-

1       tution who is eligible for a benefit under this title for  
 2       the month preceding the first month throughout  
 3       which such inmate is in such institution and be-  
 4       comes ineligible for such benefit (or becomes eligible  
 5       only for a benefit payable at a reduced rate) as a re-  
 6       sult of the application of this paragraph, an amount  
 7       not to exceed \$400 if the institution furnishes the  
 8       information described in subclause (I) to the Com-  
 9       missioner within 30 days after such individual be-  
 10      comes an inmate of such institution, or an amount  
 11      not to exceed \$200 if the institution furnishes such  
 12      information after 30 days after such date but within  
 13      90 days after such date.

14      “(ii) The provisions of section 552a of title 5, United  
 15 States Code, shall not apply to any contract entered into  
 16 under clause (i) or to information exchanged pursuant to  
 17 such contract.”.

18               (2) CONFORMING OASDI AMENDMENTS.—Sec-  
 19 tion 202(x)(3) (42 U.S.C. 402(x)(3)) is amended—

20                       (A) by inserting “(A)” after “(3)”; and

21                       (B) by adding at the end the following new  
 22 subparagraph:

23      “(B)(i) The Commissioner shall enter into a contract,  
 24 with any interested State or local institution described in  
 25 clause (i) or (ii) of paragraph (1)(A) the primary purpose

1 of which is to confine individuals as described in para-  
2 graph (1)(A), under which—

3 “(I) the institution shall provide to the Com-  
4 missioner, on a monthly basis, the names, social se-  
5 curity account numbers, dates of birth, and such  
6 other identifying information concerning the individ-  
7 uals confined in the institution as the Commissioner  
8 may require for the purpose of carrying out para-  
9 graph (1); and

10 “(II) the Commissioner shall pay to any such  
11 institution, with respect to each individual who is en-  
12 titled to a benefit under this title for the month pre-  
13 ceding the first month throughout which such indi-  
14 vidual is confined in such institution as described in  
15 paragraph (1)(A), an amount not to exceed \$400 if  
16 the institution furnishes the information described in  
17 subclause (I) to the Commissioner within 30 days  
18 after the date such individual’s confinement in such  
19 institution begins, or an amount not to exceed \$200  
20 if the institution furnishes such information after 30  
21 days after such date but within 90 days after such  
22 date.

23 “(ii) The provisions of section 552a of title 5, United  
24 States Code, shall not apply to any contract entered into

1 under clause (i) or to information exchanged pursuant to  
2 such contract.”.

3 (b) DENIAL OF SSI BENEFITS FOR 10 YEARS TO A  
4 PERSON FOUND TO HAVE FRAUDULENTLY OBTAINED  
5 SSI BENEFITS WHILE IN PRISON.—

6 (1) IN GENERAL.—Section 1611(e)(1) (42  
7 U.S.C. 1382(e)(1)), as amended by subsection  
8 (a)(1), is amended by adding at the end the follow-  
9 ing new subparagraph:

10 “(J) In any case in which the Commissioner of Social  
11 Security finds that a person has made a fraudulent state-  
12 ment or representation in order to obtain or to continue  
13 to receive benefits under this title while being an inmate  
14 in a penal institution, such person shall not be considered  
15 an eligible individual or eligible spouse for any month end-  
16 ing during the 10-year period beginning on the date on  
17 which such person ceases being such an inmate.”.

18 (2) EFFECTIVE DATE.—The amendment made  
19 by this subsection shall apply with respect to state-  
20 ments or representations made on or after the date  
21 of the enactment of this Act.

22 (c) ELIMINATION OF OASDI REQUIREMENT THAT  
23 CONFINEMENT STEM FROM CRIME PUNISHABLE BY IM-  
24 PRISONMENT FOR MORE THAN 1 YEAR.—

1           (1) IN GENERAL.—Section 202(x)(1)(A) (42  
2       U.S.C. 402(x)(1)(A)) is amended—

3                   (A) in the matter preceding clause (i), by  
4       striking “during” and inserting “throughout”;

5                   (B) in clause (i), by striking “pursuant”  
6       and all that follows through “imposed”; and

7                   (C) in clause (ii)(I), by striking “an of-  
8       fense punishable by imprisonment for more  
9       than 1 year” and inserting “a criminal of-  
10      fense”.

11           (2) EFFECTIVE DATE.—The amendments made  
12      by this subsection shall be effective with respect to  
13      benefits payable for months beginning more than  
14      180 days after the date of the enactment of this Act.

15      (d) STUDY OF OTHER POTENTIAL IMPROVEMENTS IN  
16      THE COLLECTION OF INFORMATION RESPECTING PUBLIC  
17      INMATES.—

18           (1) STUDY.—The Commissioner of Social Secu-  
19      rity shall conduct a study of the desirability, feasibil-  
20      ity, and cost of—

21                   (A) establishing a system under which  
22      Federal, State, and local courts would furnish  
23      to the Commissioner such information respect-  
24      ing court orders by which individuals are con-  
25      fined in jails, prisons, or other public penal,

1           correctional, or medical facilities as the Com-  
2           missioner may require for the purpose of carry-  
3           ing out sections 202(x) and 1611(e)(1) of the  
4           Social Security Act; and

5                 (B) requiring that State and local jails,  
6           prisons, and other institutions that enter into  
7           contracts with the Commissioner under section  
8           202(x)(3)(B) or 1611(e)(1)(I) of the Social Se-  
9           curity Act furnish the information required by  
10          such contracts to the Commissioner by means  
11          of an electronic or other sophisticated data ex-  
12          change system.

13          (2) REPORT.—Not later than 1 year after the  
14          date of the enactment of this Act, the Commissioner  
15          of Social Security shall submit a report on the re-  
16          sults of the study conducted pursuant to this sub-  
17          section to the Committee on Finance of the Senate  
18          and the Committee on Ways and Means of the  
19          House of Representatives.

20   **SEC. 204. EFFECTIVE DATE OF APPLICATION FOR BENE-**  
21                   **FITS.**

22          (a) IN GENERAL.—Subparagraph (A) of section  
23   1611(c)(7) (42 U.S.C. 1382(c)(7)) is amended to read as  
24   follows:

1           “(A) the first day of the month following the  
2           date such application is filed, or”.

3           (b) CONFORMING AMENDMENTS.—

4           (1) Section 1614(b) (42 U.S.C. 1382c(b)) is  
5           amended by striking “at the time the application or  
6           request is filed” and inserting “on the first day of  
7           the month following the date the application or re-  
8           quest is filed”.

9           (2) Section 1631(g)(3) (42 U.S.C. 1382j(g)(3))  
10          is amended by inserting “following the month” after  
11          “beginning with the month”.

12          (c) EFFECTIVE DATE.—

13          (1) IN GENERAL.—The amendments made by  
14          this section shall apply to applications for benefits  
15          under title XVI of the Social Security Act filed on  
16          or after the date of the enactment of this Act, with-  
17          out regard to whether regulations have been issued  
18          to implement such amendments.

19          (2) BENEFITS UNDER TITLE XVI.—For pur-  
20          poses of this subsection, the term “benefits under  
21          title XVI of the Social Security Act” includes sup-  
22          plementary payments pursuant to an agreement for  
23          Federal administration under section 1616(a) of the  
24          Social Security Act, and payments pursuant to an



1        agreement entered into under section 212(b) of Pub-  
 2        lic Law 93–66.

## 3        **Subtitle B—Benefits for Disabled** 4        **Children**

### 5        **SEC. 211. DEFINITION AND ELIGIBILITY RULES.**

6        (a) DEFINITION OF CHILDHOOD DISABILITY.—Sec-  
 7        tion 1614(a)(3) (42 U.S.C. 1382c(a)(3)), as amended by  
 8        section 105(b)(1) of the Contract with America Advance-  
 9        ment Act of 1996, is amended—

10            (1) in subparagraph (A), by striking “An indi-  
 11            vidual” and inserting “Except as provided in sub-  
 12            paragraph (C), an individual”;

13            (2) in subparagraph (A), by striking “(or, in  
 14            the case of an individual under the age of 18, if he  
 15            suffers from any medically determinable physical or  
 16            mental impairment of comparable severity)”;

17            (3) by redesignating subparagraphs (C) through  
 18            (I) as subparagraphs (D) through (J), respectively;

19            (4) by inserting after subparagraph (B) the fol-  
 20            lowing new subparagraph:

21            “(C) An individual under the age of 18 shall be con-  
 22            sidered disabled for the purposes of this title if that indi-  
 23            vidual has a medically determinable physical or mental im-  
 24            pairment, which results in marked and severe functional  
 25            limitations, and which can be expected to result in death

1 or which has lasted or can be expected to last for a contin-  
 2 uous period of not less than 12 months. Notwithstanding  
 3 the preceding sentence, no individual under the age of 18  
 4 who engages in substantial gainful activity (determined in  
 5 accordance with regulations prescribed pursuant to sub-  
 6 paragraph (E)) may be considered to be disabled.”; and

7 (5) in subparagraph (F), as redesignated by  
 8 paragraph (3), by striking “(D)” and inserting  
 9 “(E)”.

10 (b) CHANGES TO CHILDHOOD SSI REGULATIONS.—

11 (1) MODIFICATION TO MEDICAL CRITERIA FOR  
 12 EVALUATION OF MENTAL AND EMOTIONAL DIS-  
 13 ORDERS.—The Commissioner of Social Security  
 14 shall modify sections 112.00C.2. and  
 15 112.02B.2.c.(2) of appendix 1 to subpart P of part  
 16 404 of title 20, Code of Federal Regulations, to  
 17 eliminate references to maladaptive behavior in the  
 18 domain of personal/behavioral function.

19 (2) DISCONTINUANCE OF INDIVIDUALIZED  
 20 FUNCTIONAL ASSESSMENT.—The Commissioner of  
 21 Social Security shall discontinue the individualized  
 22 functional assessment for children set forth in sec-  
 23 tions 416.924d and 416.924e of title 20, Code of  
 24 Federal Regulations.

1 (c) MEDICAL IMPROVEMENT REVIEW STANDARD AS  
2 IT APPLIES TO INDIVIDUALS UNDER THE AGE OF 18.—

3 Section 1614(a)(4) (42 U.S.C. 1382(a)(4)) is amended—

4 (1) by redesignating subclauses (I) and (II) of  
5 clauses (i) and (ii) of subparagraph (B) as items  
6 (aa) and (bb), respectively;

7 (2) by redesignating clauses (i) and (ii) of sub-  
8 paragraphs (A) and (B) as subclauses (I) and (II),  
9 respectively;

10 (3) by redesignating subparagraphs (A) through  
11 (C) as clauses (i) through (iii), respectively, and by  
12 moving their left hand margin 2 ems to the right;

13 (4) by inserting before clause (i) (as redesign-  
14 nated by paragraph (3)) the following new subpara-  
15 graph:

16 “(A) in the case of an individual who is  
17 age 18 or older—”;

18 (5) at the end of subparagraph (A)(iii) (as re-  
19 designated by paragraphs (3) and (4)), by striking  
20 the period and inserting “; or”;

21 (6) by inserting after and below subparagraph  
22 (A)(iii) (as so redesignated) the following new sub-  
23 paragraph:

24 “(B) in the case of an individual who is  
25 under the age of 18—

1 “(i) substantial evidence which dem-  
2 onstrates that there has been medical im-  
3 provement in the individual’s impairment  
4 or combination of impairments, and that  
5 such impairment or combination of impair-  
6 ments no longer results in marked and se-  
7 vere functional limitations; or

8 “(ii) substantial evidence which dem-  
9 onstrates that, as determined on the basis  
10 of new or improved diagnostic techniques  
11 or evaluations, the individual’s impairment  
12 or combination of impairments, is not as  
13 disabling as it was considered to be at the  
14 time of the most recent prior decision that  
15 the individual was under a disability or  
16 continued to be under a disability, and  
17 such impairment or combination of impair-  
18 ments does not result in marked or severe  
19 functional limitations; or”;

20 (7) by redesignating subparagraph (D) as sub-  
21 paragraph (C) and by inserting in such subpara-  
22 graph “in the case of any individual,” before “sub-  
23 stantial evidence”; and

24 (8) in the first sentence following subparagraph  
25 (C) (as redesignated by paragraph (7)), by—

1 (A) inserting “(i)” before “to restore”; and

2 (B) inserting “, or (ii) in the case of an in-  
3 dividual under the age of 18, to eliminate or  
4 improve the individual’s impairment or com-  
5 bination of impairments so that it no longer re-  
6 sults in marked and severe functional limita-  
7 tions” immediately before the period.

8 (d) EFFECTIVE DATES, ETC.—

9 (1) EFFECTIVE DATES.—

10 (A) IN GENERAL.—The provisions of, and  
11 amendments made by, subsections (a) and  
12 (b)(2) shall apply to applications for benefits  
13 under title XVI of the Social Security Act pend-  
14 ing on, or filed on or after, the date of the en-  
15 actment of this Act, without regard to whether  
16 regulations have been issued to implement such  
17 provisions and amendments.

18 (B) MEDICAL CRITERIA MODIFICATION.—

19 The provisions of, and amendments made by,  
20 subsections (b)(1) and (c) shall apply to bene-  
21 fits under title XVI of the Social Security Act  
22 for months beginning on or after the date of  
23 the enactment of this Act, without regard to  
24 whether regulations have been issued to imple-  
25 ment such subsection.

1 (2) APPLICATION TO CURRENT RECIPIENTS.—

2 (A) ELIGIBILITY DETERMINATIONS.—Dur-  
3 ing the period beginning on the date of the en-  
4 actment of this Act and ending on the date  
5 which is 1 year after such date of enactment,  
6 the Commissioner of Social Security shall rede-  
7 termine the eligibility of any individual under  
8 age 18 who is receiving supplemental security  
9 income benefits by reason of disability under  
10 title XVI of the Social Security Act as of the  
11 date of the enactment of this Act and whose eli-  
12 gibility for such benefits may terminate by rea-  
13 son of the provisions of, or amendments made  
14 by, subsections (a) and (b)(2). With respect to  
15 any redetermination under this subparagraph—

16 (i) section 1614(a)(4) of the Social  
17 Security Act (42 U.S.C. 1382c(a)(4)) shall  
18 not apply;

19 (ii) the Commissioner of Social Secu-  
20 rity shall apply the eligibility criteria for  
21 new applicants for benefits under title XVI  
22 of such Act;

23 (iii) the Commissioner shall give such  
24 redetermination priority over all continuing

1 eligibility reviews and other reviews under  
2 such title; and

3 (iv) such redetermination shall be  
4 counted as a review or redetermination  
5 otherwise required to be made under sec-  
6 tion 208 of the Social Security Independ-  
7 ence and Program Improvements Act of  
8 1994 or any other provision of title XVI of  
9 the Social Security Act.

10 (B) GRANDFATHER PROVISION.—The pro-  
11 visions of, and amendments made by, sub-  
12 sections (a) and (b)(2), and the redetermination  
13 under subparagraph (A), shall only apply with  
14 respect to the benefits of an individual de-  
15 scribed in subparagraph (A) for months begin-  
16 ning on or after the date of the redetermination  
17 with respect to such individual.

18 (C) NOTICE.—Not later than January 1,  
19 1997, the Commissioner of Social Security shall  
20 notify an individual described in subparagraph  
21 (A) of the provisions of this paragraph.

22 (3) REPORT.—The Commissioner of Social Se-  
23 curity shall report to the Congress regarding the  
24 progress made in implementing the provisions of,  
25 and amendments made by, this section on child dis-

1 ability evaluations not later than 180 days after the  
2 date of the enactment of this Act.

3 (4) REGULATIONS.—Notwithstanding any other  
4 provision of law, the Commissioner of Social Secu-  
5 rity shall submit for review to the committees of ju-  
6 risdiction in the Congress any final regulation per-  
7 taining to the eligibility of individuals under age 18  
8 for benefits under title XVI of the Social Security  
9 Act at least 45 days before the effective date of such  
10 regulation. The submission under this paragraph  
11 shall include supporting documentation providing a  
12 cost analysis, workload impact, and projections as to  
13 how the regulation will effect the future number of  
14 recipients under such title.

15 (5) BENEFITS UNDER TITLE XVI.—For pur-  
16 poses of this subsection, the term “benefits under  
17 title XVI of the Social Security Act” includes sup-  
18plementary payments pursuant to an agreement for  
19 Federal administration under section 1616(a) of the  
20 Social Security Act, and payments pursuant to an  
21 agreement entered into under section 212(b) of Pub-  
22 lic Law 93–66.



1 **SEC. 212. ELIGIBILITY REDETERMINATIONS AND CONTINU-**  
2 **ING DISABILITY REVIEWS.**

3 (a) CONTINUING DISABILITY REVIEWS RELATING TO  
4 CERTAIN CHILDREN.—Section 1614(a)(3)(H) (42 U.S.C.  
5 1382c(a)(3)(H)), as redesignated by section 211(a)(3), is  
6 amended—

7 (1) by inserting “(i)” after “(H)”; and

8 (2) by adding at the end the following new  
9 clause:

10 “(ii)(I) Not less frequently than once every 3 years,  
11 the Commissioner shall review in accordance with para-  
12 graph (4) the continued eligibility for benefits under this  
13 title of each individual who has not attained 18 years of  
14 age and is eligible for such benefits by reason of an im-  
15 pairment (or combination of impairments) which is likely  
16 to improve (or, at the option of the Commissioner, which  
17 is unlikely to improve).

18 “(II) A representative payee of a recipient whose case  
19 is reviewed under this clause shall present, at the time  
20 of review, evidence demonstrating that the recipient is,  
21 and has been, receiving treatment, to the extent consid-  
22 ered medically necessary and available, of the condition  
23 which was the basis for providing benefits under this title.

24 “(III) If the representative payee refuses to comply  
25 without good cause with the requirements of subclause  
26 (II), the Commissioner of Social Security shall, if the

1 Commissioner determines it is in the best interest of the  
 2 individual, promptly terminate payment of benefits to the  
 3 representative payee, and provide for payment of benefits  
 4 to an alternative representative payee of the individual or,  
 5 if the interest of the individual under this title would be  
 6 served thereby, to the individual.

7 “(IV) Subclause (II) shall not apply to the represent-  
 8 ative payee of any individual with respect to whom the  
 9 Commissioner determines such application would be inap-  
 10 propriate or unnecessary. In making such determination,  
 11 the Commissioner shall take into consideration the nature  
 12 of the individual’s impairment (or combination of impair-  
 13 ments). Section 1631(c) shall not apply to a finding by  
 14 the Commissioner that the requirements of subclause (II)  
 15 should not apply to an individual’s representative payee.”.

16 (b) DISABILITY ELIGIBILITY REDETERMINATIONS  
 17 REQUIRED FOR SSI RECIPIENTS WHO ATTAIN 18 YEARS  
 18 OF AGE.—

19 (1) IN GENERAL.—Section 1614(a)(3)(H) (42  
 20 U.S.C. 1382c(a)(3)(H)), as amended by subsection  
 21 (a), is amended by adding at the end the following  
 22 new clause:

23 “(iii) If an individual is eligible for benefits under this  
 24 title by reason of disability for the month preceding the

1 month in which the individual attains the age of 18 years,  
 2 the Commissioner shall redetermine such eligibility—

3 “(I) during the 1-year period beginning on the  
 4 individual’s 18th birthday; and

5 “(II) by applying the criteria used in determin-  
 6 ing the initial eligibility for applicants who are age  
 7 18 or older.

8 With respect to a redetermination under this clause, para-  
 9 graph (4) shall not apply and such redetermination shall  
 10 be considered a substitute for a review or redetermination  
 11 otherwise required under any other provision of this sub-  
 12 paragraph during that 1-year period.”.

13 (2) CONFORMING REPEAL.—Section 207 of the  
 14 Social Security Independence and Program Improve-  
 15 ments Act of 1994 (42 U.S.C. 1382 note; 108 Stat.  
 16 1516) is hereby repealed.

17 (c) CONTINUING DISABILITY REVIEW REQUIRED FOR  
 18 LOW BIRTH WEIGHT BABIES.—Section 1614(a)(3)(H)  
 19 (42 U.S.C. 1382c(a)(3)(H)), as amended by subsections  
 20 (a) and (b), is amended by adding at the end the following  
 21 new clause:

22 “(iv)(I) Not later than 12 months after the birth of  
 23 an individual, the Commissioner shall review in accordance  
 24 with paragraph (4) the continuing eligibility for benefits  
 25 under this title by reason of disability of such individual

1 whose low birth weight is a contributing factor material  
2 to the Commissioner's determination that the individual  
3 is disabled.

4       “(II) A review under subclause (I) shall be considered  
5 a substitute for a review otherwise required under any  
6 other provision of this subparagraph during that 12-  
7 month period.

8       “(III) A representative payee of a recipient whose  
9 case is reviewed under this clause shall present, at the  
10 time of review, evidence demonstrating that the recipient  
11 is, and has been, receiving treatment, to the extent consid-  
12 ered medically necessary and available, of the condition  
13 which was the basis for providing benefits under this title.

14       “(IV) If the representative payee refuses to comply  
15 without good cause with the requirements of subclause  
16 (III), the Commissioner of Social Security shall, if the  
17 Commissioner determines it is in the best interest of the  
18 individual, promptly terminate payment of benefits to the  
19 representative payee, and provide for payment of benefits  
20 to an alternative representative payee of the individual or,  
21 if the interest of the individual under this title would be  
22 served thereby, to the individual.

23       “(V) Subclause (III) shall not apply to the represent-  
24 ative payee of any individual with respect to whom the  
25 Commissioner determines such application would be inap-

1 appropriate or unnecessary. In making such determination,  
 2 the Commissioner shall take into consideration the nature  
 3 of the individual's impairment (or combination of impair-  
 4 ments). Section 1631(c) shall not apply to a finding by  
 5 the Commissioner that the requirements of subclause (III)  
 6 should not apply to an individual's representative payee.".

7 (d) EFFECTIVE DATE.—The amendments made by  
 8 this section shall apply to benefits for months beginning  
 9 on or after the date of the enactment of this Act, without  
 10 regard to whether regulations have been issued to imple-  
 11 ment such amendments.

12 **SEC. 213. ADDITIONAL ACCOUNTABILITY REQUIREMENTS.**

13 (a) DISPOSAL OF RESOURCES FOR LESS THAN FAIR  
 14 MARKET VALUE.—

15 (1) IN GENERAL.—Section 1613(c) (42 U.S.C.  
 16 1382b(c)) is amended to read as follows:

17 “Disposal of Resources for Less Than Fair Market Value

18 “(c)(1)(A)(i) If an individual who has not attained  
 19 18 years of age (or any person acting on such individual's  
 20 behalf) disposes of resources of the individual for less than  
 21 fair market value on or after the look-back date specified  
 22 in clause (ii)(I), the individual is ineligible for benefits  
 23 under this title for months during the period beginning  
 24 on the date specified in clause (iii) and equal to the num-  
 25 ber of months specified in clause (iv).

1       “(ii)(I) The look-back date specified in this subclause  
2 is a date that is 36 months before the date specified in  
3 subclause (II).

4       “(II) The date specified in this subclause is the date  
5 on which the individual applies for benefits under this title  
6 or, if later, the date on which the disposal of the individ-  
7 ual’s resources for less than fair market value occurs.

8       “(iii) The date specified in this clause is the first day  
9 of the first month that follows the month in which the  
10 individual’s resources were disposed of for less than fair  
11 market value and that does not occur in any other period  
12 of ineligibility under this paragraph.

13       “(iv) The number of months of ineligibility under this  
14 clause for an individual shall be equal to—

15               “(I) the total, cumulative uncompensated value  
16 of all the individual’s resources so disposed of on or  
17 after the look-back date specified in clause (ii)(I), di-  
18 vided by

19               “(II) the amount of the maximum monthly ben-  
20 efit payable under section 1611(b) to an eligible in-  
21 dividual for the month in which the date specified in  
22 clause (ii)(II) occurs.

23       “(B) An individual shall not be ineligible for benefits  
24 under this title by reason of subparagraph (A) if the Com-  
25 missioner determines that—

1           “(i) the individual intended to dispose of the re-  
2           sources at fair market value;

3           “(ii) the resources were transferred exclusively  
4           for a purpose other than to qualify for benefits  
5           under this title;

6           “(iii) all resources transferred for less than fair  
7           market value have been returned to the individual;  
8           or

9           “(iv) the denial of eligibility would work an  
10          undue hardship on the individual (as determined on  
11          the basis of criteria established by the Commissioner  
12          in regulations).

13          “(C) For purposes of this paragraph, in the case of  
14          a resource held by an individual in common with another  
15          person or persons in a joint tenancy, tenancy in common,  
16          or similar arrangement, the resource (or the affected por-  
17          tion of such resource) shall be considered to be disposed  
18          of by such individual when any action is taken, either by  
19          such individual or by any other person, that reduces or  
20          eliminates such individual’s ownership or control of such  
21          resource.

22          “(D)(i) Notwithstanding subparagraph (A), this sub-  
23          section shall not apply to a transfer of a resource to a  
24          trust if the portion of the trust attributable to such re-  
25          source is considered a resource available to the individual

1 pursuant to subsection (e)(3) (or would be so considered,  
2 but for the application of subsection (e)(4)).

3 “(ii) In the case of a trust established by an individ-  
4 ual (within the meaning of subsection (e)(2)(A)), if from  
5 such portion of the trust (if any) that is considered a re-  
6 source available to the individual pursuant to subsection  
7 (e)(3) (or would be so considered but for the application  
8 of subsection (e)(2)) or the residue of such portion upon  
9 the termination of the trust—

10 “(I) there is made a payment other than to or  
11 for the benefit of the individual, or

12 “(II) no payment could under any circumstance  
13 be made to the individual,

14 then the payment described in subclause (I) or the fore-  
15 closure of payment described in subclause (II) shall be  
16 considered a disposal of resources by the individual subject  
17 to this subsection, as of the date of such payment or fore-  
18 closure, respectively.

19 “(2)(A) At the time an individual (and the individ-  
20 ual’s eligible spouse, if any) applies for benefits under this  
21 title, and at the time the eligibility of an individual (and  
22 such spouse, if any) for such benefits is redetermined, the  
23 Commissioner of Social Security shall—

24 “(i) inform such individual of the provisions of  
25 paragraph (1) providing for a period of ineligibility



1 for benefits under this title for individuals who make  
2 certain dispositions of resources for less than fair  
3 market value, and inform such individual that infor-  
4 mation obtained pursuant to clause (ii) will be made  
5 available to the State agency administering a State  
6 plan approved under title XV or XIX (as provided  
7 in subparagraph (B)); and

8 “(ii) obtain from such individual information  
9 which may be used in determining whether or not a  
10 period of ineligibility for such benefits would be re-  
11 quired by reason of paragraph (1).

12 “(B) The Commissioner of Social Security shall make  
13 the information obtained under subparagraph (A)(ii)  
14 available, on request, to any State agency administering  
15 a State plan approved under title XV or XIX.

16 “(3) For purposes of this subsection—

17 “(A) the term ‘trust’ includes any legal instru-  
18 ment or device that is similar to a trust; and

19 “(B) the term ‘benefits under this title’ includes  
20 supplementary payments pursuant to an agreement  
21 for Federal administration under section 1616(a),  
22 and payments pursuant to an agreement entered  
23 into under section 212(b) of Public Law 93–66.”.

24 (2) EFFECTIVE DATE.—The amendment made  
25 by this subsection shall be effective with respect to

1 transfers that occur at least 90 days after the date  
2 of the enactment of this Act.

3 (b) TREATMENT OF ASSETS HELD IN TRUST.—

4 (1) TREATMENT AS RESOURCE.—Section 1613  
5 (42 U.S.C. 1382) is amended by adding at the end  
6 the following new subsection:

7 “Trusts

8 “(e)(1) In determining the resources of an individual  
9 who has not attained 18 years of age, the provisions of  
10 paragraph (3) shall apply to a trust established by such  
11 individual.

12 “(2)(A) For purposes of this subsection, an individual  
13 shall be considered to have established a trust if any assets  
14 of the individual were transferred to the trust.

15 “(B) In the case of an irrevocable trust to which the  
16 assets of an individual and the assets of any other person  
17 or persons were transferred, the provisions of this sub-  
18 section shall apply to the portion of the trust attributable  
19 to the assets of the individual.

20 “(C) This subsection shall apply without regard to—

21 “(i) the purposes for which the trust is estab-  
22 lished;

23 “(ii) whether the trustees have or exercise any  
24 discretion under the trust;

1           “(iii) any restrictions on when or whether dis-  
2       tributions may be made from the trust; or

3           “(iv) any restrictions on the use of distributions  
4       from the trust.

5       “(3)(A) In the case of a revocable trust, the corpus  
6       of the trust shall be considered a resource available to the  
7       individual.

8       “(B) In the case of an irrevocable trust, if there are  
9       any circumstances under which payment from the trust  
10      could be made to or for the benefit of the individual, the  
11      portion of the corpus from which payment to or for the  
12      benefit of the individual could be made shall be considered  
13      a resource available to the individual.

14      “(4) The Commissioner may waive the application of  
15      this subsection with respect to any individual if the Com-  
16      missioner determines, on the basis of criteria prescribed  
17      in regulations, that such application would work an undue  
18      hardship on such individual.

19      “(5) For purposes of this subsection—

20           “(A) the term ‘trust’ includes any legal instru-  
21      ment or device that is similar to a trust;

22           “(B) the term ‘corpus’ means all property and  
23      other interests held by the trust, including accumu-  
24      lated earnings and any other addition to such trust  
25      after its establishment (except that such term does

1 not include any such earnings or addition in the  
2 month in which such earnings or addition is credited  
3 or otherwise transferred to the trust);

4 “(C) the term ‘asset’ includes any income or re-  
5 source of the individual, including—

6 “(i) any income otherwise excluded by sec-  
7 tion 1612(b);

8 “(ii) any resource otherwise excluded by  
9 this section; and

10 “(iii) any other payment or property that  
11 the individual is entitled to but does not receive  
12 or have access to because of action by—

13 “(I) such individual;

14 “(II) a person or entity (including a  
15 court) with legal authority to act in place  
16 of, or on behalf of, such individual; or

17 “(III) a person or entity (including a  
18 court) acting at the direction of, or upon  
19 the request of, such individual; and

20 “(D) the term ‘benefits under this title’ in-  
21 cludes supplementary payments pursuant to an  
22 agreement for Federal administration under section  
23 1616(a), and payments pursuant to an agreement  
24 entered into under section 212(b) of Public Law 93–  
25 66.’’.

1           (2) TREATMENT AS INCOME.—Section  
2   1612(a)(2) (42 U.S.C. 1382a(a)(2)) is amended—

3           (A) by striking “and” at the end of sub-  
4   paragraph (E);

5           (B) by striking the period at the end of  
6   subparagraph (F) and inserting “; and”; and

7           (C) by adding at the end the following new  
8   subparagraph:

9           “(G) any earnings of, and additions to, the  
10   corpus of a trust (as defined in section 1613(f))  
11   established by an individual (within the mean-  
12   ing of section 1613(e)(2)(A)) and of which such  
13   individual is a beneficiary (other than a trust to  
14   which section 1613(e)(4) applies), except that  
15   in the case of an irrevocable trust, there shall  
16   exist circumstances under which payment from  
17   such earnings or additions could be made to, or  
18   for the benefit of, such individual.”.

19          (3) EFFECTIVE DATE.—The amendments made  
20   by this subsection shall take effect on January 1,  
21   1996, and shall apply to trusts established on or  
22   after such date.

23          (c) REQUIREMENT TO ESTABLISH ACCOUNT.—

24          (1) IN GENERAL.—Section 1631(a)(2) (42  
25   U.S.C. 1383(a)(2)) is amended—

1                   (A) by redesignating subparagraphs (F)  
 2                   and (G) as subparagraphs (G) and (H), respec-  
 3                   tively; and

4                   (B) by inserting after subparagraph (E)  
 5                   the following new subparagraph:

6           “(F)(i)(I) Each representative payee of an eligible in-  
 7           dividual under the age of 18 who is eligible for the pay-  
 8           ment of benefits described in subclause (II) shall establish  
 9           on behalf of such individual an account in a financial insti-  
 10          tution into which such benefits shall be paid, and shall  
 11          thereafter maintain such account for use in accordance  
 12          with clause (ii).

13          “(II) Benefits described in this subclause are past-  
 14          due monthly benefits under this title (which, for purposes  
 15          of this subclause, include State supplementary payments  
 16          made by the Commissioner pursuant to an agreement  
 17          under section 1616 or section 212(b) of Public Law 93–  
 18          66) in an amount (after any withholding by the Commis-  
 19          sioner for reimbursement to a State for interim assistance  
 20          under subsection (g)) that exceeds the product of—

21               “(aa) 6, and

22               “(bb) the maximum monthly benefit payable  
 23          under this title to an eligible individual.

1       “(ii)(I) A representative payee may use funds in the  
2 account established under clause (i) to pay for allowable  
3 expenses described in subclause (II).

4       “(II) An allowable expense described in this subclause  
5 is an expense for—

6           “(aa) education or job skills training;

7           “(bb) personal needs assistance;

8           “(cc) special equipment;

9           “(dd) housing modification;

10          “(ee) medical treatment;

11          “(ff) therapy or rehabilitation; or

12          “(gg) any other item or service that the Com-  
13 missioner determines to be appropriate;

14 provided that such expense benefits such individual and,  
15 in the case of an expense described in item (cc), (dd), (ff),  
16 or (gg), is related to the impairment (or combination of  
17 impairments) of such individual.

18       “(III) The use of funds from an account established  
19 under clause (i) in any manner not authorized by this  
20 clause—

21           “(aa) by a representative payee shall constitute  
22 misuse of benefits for all purposes of this paragraph,  
23 and any representative payee who knowingly misuses  
24 benefits from such an account shall be liable to the

1 Commissioner in an amount equal to the total  
2 amount of such misused benefits; and

3 “(bb) by an eligible individual who is his or her  
4 own representative payee shall be considered an  
5 overpayment subject to recovery under subsection  
6 (b).

7 “(IV) This clause shall continue to apply to funds in  
8 the account after the child has reached age 18, regardless  
9 of whether benefits are paid directly to the beneficiary or  
10 through a representative payee.

11 “(iii) The representative payee may deposit into the  
12 account established pursuant to clause (i)—

13 “(I) past-due benefits payable to the eligible in-  
14 dividual in an amount less than that specified in  
15 clause (i)(II), and

16 “(II) any other funds representing an under-  
17 payment under this title to such individual, provided  
18 that the amount of such underpayment is equal to  
19 or exceeds the maximum monthly benefit payable  
20 under this title to an eligible individual.

21 “(iv) The Commissioner of Social Security shall es-  
22 tablish a system for accountability monitoring whereby  
23 such representative payee shall report, at such time and  
24 in such manner as the Commissioner shall require, on ac-



1 tivity respecting funds in the account established pursuant  
2 to clause (i).”.

3 (2) EXCLUSION FROM RESOURCES.—Section  
4 1613(a) (42 U.S.C. 1382b(a)) is amended—

5 (A) in paragraph (9), by striking “; and”  
6 and inserting a semicolon;

7 (B) in the first paragraph (10), by striking  
8 the period and inserting a semicolon;

9 (C) by redesignating the second paragraph  
10 (10) as paragraph (11), and by striking the pe-  
11 riod and inserting “; and”; and

12 (D) by adding at the end the following new  
13 paragraph:

14 “(12) the assets and accrued interest or other  
15 earnings of any account established and maintained  
16 in accordance with section 1631(a)(2)(F).”.

17 (3) EXCLUSION FROM INCOME.—Section  
18 1612(b) (42 U.S.C. 1382a(b)) is amended—

19 (A) by striking “and” at the end of para-  
20 graph (19);

21 (B) by striking the period at the end of  
22 paragraph (20) and inserting “; and”; and

23 (C) by adding at the end the following new  
24 paragraph:

1 “(21) the interest or other earnings on any ac-  
 2 count established and maintained in accordance with  
 3 section 1631(a)(2)(F).”.

4 (4) EFFECTIVE DATE.—The amendments made  
 5 by this subsection shall apply to payments made  
 6 after the date of the enactment of this Act.

7 **SEC. 214. REDUCTION IN CASH BENEFITS PAYABLE TO IN-**  
 8 **STITUTIONALIZED INDIVIDUALS WHOSE MED-**  
 9 **ICAL COSTS ARE COVERED BY PRIVATE IN-**  
 10 **SURANCE.**

11 (a) IN GENERAL.—Section 1611(e)(1)(B) (42 U.S.C.  
 12 1382(e)(1)(B)) is amended—

13 (1) by striking “title XIX, or” and inserting  
 14 “title XV or XIX,”; and

15 (2) by inserting “or, in the case of an eligible  
 16 individual under the age of 18 receiving payments  
 17 (with respect to such individual) under any health  
 18 insurance policy issued by a private provider of such  
 19 insurance” after “section 1614(f)(2)(B),”.

20 (b) EFFECTIVE DATE.—The amendment made by  
 21 this section shall apply to benefits for months beginning  
 22 90 or more days after the date of the enactment of this  
 23 Act, without regard to whether regulations have been is-  
 24 sued to implement such amendments.

1 **SEC. 215. INSTALLMENT PAYMENT OF LARGE PAST-DUE**  
2 **SUPPLEMENTAL SECURITY INCOME BENE-**  
3 **FITS.**

4 (a) IN GENERAL.—Section 1631(a) (42 U.S.C. 1383)  
5 is amended by adding at the end the following new para-  
6 graph:

7 “(10)(A) If an individual is eligible for past-due  
8 monthly benefits under this title in an amount that (after  
9 any withholding for reimbursement to a State for interim  
10 assistance under subsection (g)) equals or exceeds the  
11 product of—

12 “(i) 12, and

13 “(ii) the maximum monthly benefit payable  
14 under this title to an eligible individual (or, if appro-  
15 priate, to an eligible individual and eligible spouse),  
16 then the payment of such past-due benefits (after any such  
17 reimbursement to a State) shall be made in installments  
18 as provided in subparagraph (B).

19 “(B)(i) The payment of past-due benefits subject to  
20 this subparagraph shall be made in not to exceed 3 install-  
21 ments that are made at 6-month intervals.

22 “(ii) Except as provided in clause (iii), the amount  
23 of each of the first and second installments may not exceed  
24 an amount equal to the product of clauses (i) and (ii) of  
25 subparagraph (A).

26 “(iii) In the case of an individual who has—

1           “(I) outstanding debt attributable to—

2               “(aa) food,

3               “(bb) clothing,

4               “(cc) shelter, or

5               “(dd) medically necessary services, supplies

6           or equipment, or medicine; or

7           “(II) current expenses or expenses anticipated

8           in the near term attributable to—

9               “(aa) medically necessary services, supplies

10           or equipment, or medicine, or

11               “(bb) the purchase of a home, and

12   such debt or expenses are not subject to reimbursement

13   by a public assistance program, the Secretary under title

14   XVIII, a State plan approved under title XV or XIX, or

15   any private entity legally liable to provide payment pursu-

16   ant to an insurance policy, pre-paid plan, or other ar-

17   rangement, the limitation specified in clause (ii) may be

18   exceeded by an amount equal to the total of such debt

19   and expenses.

20           “(C) This paragraph shall not apply to any individual

21   who, at the time of the Commissioner’s determination that

22   such individual is eligible for the payment of past-due

23   monthly benefits under this title—

1           “(i) is afflicted with a medically determinable  
2           impairment that is expected to result in death within  
3           12 months; or

4           “(ii) is ineligible for benefits under this title  
5           and the Commissioner determines that such individ-  
6           ual is likely to remain ineligible for the next 12  
7           months.

8           “(D) For purposes of this paragraph, the term ‘bene-  
9           fits under this title’ includes supplementary payments pur-  
10          suant to an agreement for Federal administration under  
11          section 1616(a), and payments pursuant to an agreement  
12          entered into under section 212(b) of Public Law 93–66.”.

13          (b) CONFORMING AMENDMENT.—Section 1631(a)(1)  
14          (42 U.S.C. 1383(a)(1)) is amended by inserting “(subject  
15          to paragraph (10))” immediately before “in such install-  
16          ments”.

17          (c) EFFECTIVE DATE.—

18               (1) IN GENERAL.—The amendments made by  
19          this section are effective with respect to past-due  
20          benefits payable under title XVI of the Social Secu-  
21          rity Act after the third month following the month  
22          in which this Act is enacted.

23               (2) BENEFITS PAYABLE UNDER TITLE XVI.—  
24          For purposes of this subsection, the term “benefits  
25          payable under title XVI of the Social Security Act”

1 includes supplementary payments pursuant to an  
2 agreement for Federal administration under section  
3 1616(a) of the Social Security Act, and payments  
4 pursuant to an agreement entered into under section  
5 212(b) of Public Law 93–66.

6 **SEC. 216. RECOVERY OF SUPPLEMENTAL SECURITY IN-**  
7 **COME OVERPAYMENTS FROM SOCIAL SECU-**  
8 **RITY BENEFITS.**

9 (a) IN GENERAL.—Part A of title XI is amended by  
10 adding at the end the following new section:

11 “RECOVERY OF SSI OVERPAYMENTS FROM SOCIAL  
12 SECURITY BENEFITS

13 “SEC. 1145. (a) IN GENERAL.—Whenever the Com-  
14 missioner of Social Security determines that more than  
15 the correct amount of any payment has been made to any  
16 person under the supplemental security income program  
17 authorized by title XVI, and the Commissioner is unable  
18 to make proper adjustment or recovery of the amount so  
19 incorrectly paid as provided in section 1631(b), the Com-  
20 missioner (notwithstanding section 207) may recover the  
21 amount incorrectly paid by decreasing any amount which  
22 is payable under the Federal Old-Age and Survivors Insur-  
23 ance program or the Federal Disability Insurance pro-  
24 gram authorized by title II to that person or that person’s  
25 estate.

1       “(b) NO EFFECT ON SSI BENEFIT ELIGIBILITY OR  
2 AMOUNT.—Notwithstanding subsections (a) and (b) of  
3 section 1611, in any case in which the Commissioner takes  
4 action in accordance with subsection (a) to recover an  
5 overpayment from any person, neither that person, nor  
6 any individual whose eligibility or benefit amount is deter-  
7 mined by considering any part of that person’s income,  
8 shall, as a result of such action—

9               “(1) become eligible under the program of sup-  
10       plemental security income benefits under title XVI,  
11       or

12               “(2) if such person or individual is already so  
13       eligible, become eligible for increased benefits there-  
14       under.

15       “(c) PROGRAM UNDER TITLE XVI.—For purposes of  
16 this section, the term ‘supplemental security income pro-  
17 gram authorized by title XVI’ includes supplementary pay-  
18 ments pursuant to an agreement for Federal administra-  
19 tion under section 1616(a), and payments pursuant to an  
20 agreement entered into under section 212(b) of Public  
21 Law 93–66.”.

22       (b) CONFORMING AMENDMENTS.—

23               (1) Section 204 (42 U.S.C. 404) is amended by  
24       adding at the end the following new subsection:

1       “(g) For payments which are adjusted or withheld  
2 to recover an overpayment of supplemental security in-  
3 come benefits paid under title XVI (including State sup-  
4 plementary payments which were paid under an agreement  
5 pursuant to section 1616(a) or section 212(b) of Public  
6 Law 93-66), see section 1145.”.

7           (2) Section 1631(b) is amended by adding at  
8 the end the following new paragraph:

9       “(5) For the recovery of overpayments of benefits  
10 under this title from benefits payable under title II, see  
11 section 1145.”.

12       (c) EFFECTIVE DATE.—The amendments made by  
13 this section shall take effect on the date of the enactment  
14 of this Act and shall apply to overpayments outstanding  
15 on or after such date.

16 **SEC. 217. REGULATIONS.**

17       Within 3 months after the date of the enactment of  
18 this Act, the Commissioner of Social Security shall pre-  
19 scribe such regulations as may be necessary to implement  
20 the amendments made by this subtitle.



1   **Subtitle C—State Supplementation**  
 2                   **Programs**

3   **SEC. 221. REPEAL OF MAINTENANCE OF EFFORT REQUIRE-**  
 4                   **MENTS APPLICABLE TO OPTIONAL STATE**  
 5                   **PROGRAMS FOR SUPPLEMENTATION OF SSI**  
 6                   **BENEFITS.**

7       Section 1618 (42 U.S.C. 1382g) is hereby repealed.

8   **Subtitle     D—Studies     Regarding**  
 9       **Supplemental Security Income**  
 10       **Program**

11   **SEC. 231. ANNUAL REPORT ON THE SUPPLEMENTAL SECU-**  
 12                   **RITY INCOME PROGRAM.**

13       Title XVI (42 U.S.C. 1381 et seq.), as amended by  
 14   section 201(c), is amended by adding at the end the fol-  
 15   lowing new section:

16                   “ANNUAL REPORT ON PROGRAM

17       “SEC. 1637. (a) Not later than May 30 of each year,  
 18   the Commissioner of Social Security shall prepare and de-  
 19   liver a report annually to the President and the Congress  
 20   regarding the program under this title, including—

21                   “(1) a comprehensive description of the pro-  
 22       gram;

23                   “(2) historical and current data on allowances  
 24       and denials, including number of applications and  
 25       allowance rates for initial determinations, reconsid-

1       eration determinations, administrative law judge  
2       hearings, appeals council reviews, and Federal court  
3       decisions;

4           “(3) historical and current data on characteris-  
5       tics of recipients and program costs, by recipient  
6       group (aged, blind, disabled adults, and disabled  
7       children);

8           “(4) projections of future number of recipients  
9       and program costs, through at least 25 years;

10          “(5) number of redeterminations and continu-  
11       ing disability reviews, and the outcomes of such re-  
12       determinations and reviews;

13          “(6) data on the utilization of work incentives;

14          “(7) detailed information on administrative and  
15       other program operation costs;

16          “(8) summaries of relevant research undertaken  
17       by the Social Security Administration, or by other  
18       researchers;

19          “(9) State supplementation program operations;

20          “(10) a historical summary of statutory  
21       changes to this title; and

22          “(11) such other information as the Commis-  
23       sioner deems useful.

24       “(b) Each member of the Social Security Advisory  
25       Board shall be permitted to provide an individual report,

1 or a joint report if agreed, of views of the program under  
2 this title, to be included in the annual report required  
3 under this section.”.

4 **SEC. 232. STUDY OF DISABILITY DETERMINATION PROC-**  
5 **ESS.**

6 (a) IN GENERAL.—Not later than 90 days after the  
7 date of the enactment of this Act, and from funds other-  
8 wise appropriated, the Commissioner of Social Security  
9 shall make arrangements with the National Academy of  
10 Sciences, or other independent entity, to conduct a study  
11 of the disability determination process under titles II and  
12 XVI of the Social Security Act. This study shall be under-  
13 taken in consultation with professionals representing ap-  
14 propriate disciplines.

15 (b) STUDY COMPONENTS.—The study described in  
16 subsection (a) shall include—

17 (1) an initial phase examining the appropriate-  
18 ness of, and making recommendations regarding—

19 (A) the definitions of disability in effect on  
20 the date of the enactment of this Act and the  
21 advantages and disadvantages of alternative  
22 definitions; and

23 (B) the operation of the disability deter-  
24 mination process, including the appropriate  
25 method of performing comprehensive assess-

1           ments of individuals under age 18 with physical  
2           and mental impairments;

3           (2) a second phase, which may be concurrent  
4           with the initial phase, examining the validity, reli-  
5           ability, and consistency with current scientific knowl-  
6           edge of the standards and individual listings in the  
7           Listing of Impairments set forth in appendix 1 of  
8           subpart P of part 404 of title 20, Code of Federal  
9           Regulations, and of related evaluation procedures as  
10          promulgated by the Commissioner of Social Security;  
11          and

12          (3) such other issues as the applicable entity  
13          considers appropriate.

14          (c) REPORTS AND REGULATIONS.—

15          (1) REPORTS.—The Commissioner of Social Se-  
16          curity shall request the applicable entity, to submit  
17          an interim report and a final report of the findings  
18          and recommendations resulting from the study de-  
19          scribed in this section to the President and the Con-  
20          gress not later than 18 months and 24 months, re-  
21          spectively, from the date of the contract for such  
22          study, and such additional reports as the Commis-  
23          sioner deems appropriate after consultation with the  
24          applicable entity.

1           (2) REGULATIONS.—The Commissioner of So-  
 2           cial Security shall review both the interim and final  
 3           reports, and shall issue regulations implementing  
 4           any necessary changes following each report.

5 **SEC. 233. STUDY BY GENERAL ACCOUNTING OFFICE.**

6           Not later than January 1, 1999, the Comptroller  
 7           General of the United States shall study and report on—  
 8           (1) the impact of the amendments made by,  
 9           and the provisions of, this title on the supplemental  
 10          security income program under title XVI of the So-  
 11          cial Security Act; and

12          (2) extra expenses incurred by families of chil-  
 13          dren receiving benefits under such title that are not  
 14          covered by other Federal, State, or local programs.

15 **Subtitle E—National Commission**  
 16 **on the Future of Disability**

17 **SEC. 241. ESTABLISHMENT.**

18          There is established a commission to be known as the  
 19          National Commission on the Future of Disability (referred  
 20          to in this subtitle as the “Commission”).

21 **SEC. 242. DUTIES OF THE COMMISSION.**

22          (a) IN GENERAL.—The Commission shall develop  
 23          and carry out a comprehensive study of all matters related  
 24          to the nature, purpose, and adequacy of all Federal pro-  
 25          grams serving individuals with disabilities. In particular,

1 the Commission shall study the disability insurance pro-  
2 gram under title II of the Social Security Act and the sup-  
3 plemental security income disability program under title  
4 XVI of such Act.

5 (b) MATTERS STUDIED.—The Commission shall pre-  
6 pare an inventory of Federal programs serving individuals  
7 with disabilities, and shall examine—

8 (1) trends and projections regarding the size  
9 and characteristics of the population of individuals  
10 with disabilities, and the implications of such analy-  
11 ses for program planning;

12 (2) the feasibility and design of performance  
13 standards for the Nation's disability programs;

14 (3) the adequacy of Federal efforts in rehabili-  
15 tation research and training, and opportunities to  
16 improve the lives of individuals with disabilities  
17 through all manners of scientific and engineering re-  
18 search; and

19 (4) the adequacy of policy research available to  
20 the Federal Government, and what actions might be  
21 undertaken to improve the quality and scope of such  
22 research.

23 (c) RECOMMENDATIONS.—The Commission shall  
24 submit to the appropriate committees of the Congress and

1 to the President recommendations and, as appropriate,  
2 proposals for legislation, regarding—

3 (1) which (if any) Federal disability programs  
4 should be eliminated or augmented;

5 (2) what new Federal disability programs (if  
6 any) should be established;

7 (3) the suitability of the organization and loca-  
8 tion of disability programs within the Federal Gov-  
9 ernment;

10 (4) other actions the Federal Government  
11 should take to prevent disabilities and disadvantages  
12 associated with disabilities; and

13 (5) such other matters as the Commission con-  
14 sider appropriate.

15 **SEC. 243. MEMBERSHIP.**

16 (a) NUMBER AND APPOINTMENT.—

17 (1) IN GENERAL.—The Commission shall be  
18 composed of 15 members, of whom—

19 (A) five shall be appointed by the Presi-  
20 dent, of whom not more than 3 shall be of the  
21 same major political party;

22 (B) three shall be appointed by the Major-  
23 ity Leader of the Senate;

24 (C) two shall be appointed by the Minority  
25 Leader of the Senate;

1 (D) three shall be appointed by the Speak-  
2 er of the House of Representatives; and

3 (E) two shall be appointed by the Minority  
4 Leader of the House of Representatives.

5 (2) REPRESENTATION.—The Commission mem-  
6 bers shall be chosen based on their education, train-  
7 ing, or experience. In appointing individuals as  
8 members of the Commission, the President and the  
9 Majority and Minority Leaders of the Senate and  
10 the Speaker and Minority Leader of the House of  
11 Representatives shall seek to ensure that the mem-  
12 bership of the Commission reflects the general inter-  
13 ests of the business and taxpaying community and  
14 the diversity of individuals with disabilities in the  
15 United States.

16 (b) COMPTROLLER GENERAL.—The Comptroller  
17 General of the United States shall advise the Commission  
18 on the methodology and approach of the study of the Com-  
19 mission.

20 (c) TERM OF APPOINTMENT.—The members shall  
21 serve on the Commission for the life of the Commission.

22 (d) MEETINGS.—The Commission shall locate its  
23 headquarters in the District of Columbia, and shall meet  
24 at the call of the Chairperson, but not less than 4 times  
25 each year during the life of the Commission.



1 (e) QUORUM.—Ten members of the Commission shall  
2 constitute a quorum, but a lesser number may hold hear-  
3 ings.

4 (f) CHAIRPERSON AND VICE CHAIRPERSON.—Not  
5 later than 15 days after the members of the Commission  
6 are appointed, such members shall designate a Chair-  
7 person and Vice Chairperson from among the members of  
8 the Commission.

9 (g) CONTINUATION OF MEMBERSHIP.—If a member  
10 of the Commission becomes an officer or employee of any  
11 government after appointment to the Commission, the in-  
12 dividual may continue as a member until a successor mem-  
13 ber is appointed.

14 (h) VACANCIES.—A vacancy on the Commission shall  
15 be filled in the manner in which the original appointment  
16 was made not later than 30 days after the Commission  
17 is given notice of the vacancy.

18 (i) COMPENSATION.—Members of the Commission  
19 shall receive no additional pay, allowances, or benefits by  
20 reason of their service on the Commission.

21 (j) TRAVEL EXPENSES.—Each member of the Com-  
22 mission shall receive travel expenses, including per diem  
23 in lieu of subsistence, in accordance with sections 5702  
24 and 5703 of title 5, United States Code.

1 **SEC. 244. STAFF AND SUPPORT SERVICES.**

2 (a) DIRECTOR.—

3 (1) APPOINTMENT.—Upon consultation with  
4 the members of the Commission, the Chairperson  
5 shall appoint a Director of the Commission.

6 (2) COMPENSATION.—The Director shall be  
7 paid the rate of basic pay for level V of the Execu-  
8 tive Schedule.

9 (b) STAFF.—With the approval of the Commission,  
10 the Director may appoint such personnel as the Director  
11 considers appropriate.

12 (c) APPLICABILITY OF CIVIL SERVICE LAWS.—The  
13 staff of the Commission shall be appointed without regard  
14 to the provisions of title 5, United States Code, governing  
15 appointments in the competitive service, and shall be paid  
16 without regard to the provisions of chapter 51 and sub-  
17 chapter III of chapter 53 of such title relating to classi-  
18 fication and General Schedule pay rates.

19 (d) EXPERTS AND CONSULTANTS.—With the ap-  
20 proval of the Commission, the Director may procure tem-  
21 porary and intermittent services under section 3109(b) of  
22 title 5, United States Code.

23 (e) STAFF OF FEDERAL AGENCIES.—Upon the re-  
24 quest of the Commission, the head of any Federal agency  
25 may detail, on a reimbursable basis, any of the personnel

1 of such agency to the Commission to assist in carrying  
2 out the duties of the Commission under this subtitle.

3 (f) OTHER RESOURCES.—The Commission shall have  
4 reasonable access to materials, resources, statistical data,  
5 and other information from the Library of Congress and  
6 agencies and elected representatives of the executive and  
7 legislative branches of the Federal Government. The  
8 Chairperson of the Commission shall make requests for  
9 such access in writing when necessary.

10 (g) PHYSICAL FACILITIES.—The Administrator of  
11 the General Services Administration shall locate suitable  
12 office space for the operation of the Commission. The fa-  
13 cilities shall serve as the headquarters of the Commission  
14 and shall include all necessary equipment and incidentals  
15 required for proper functioning of the Commission.

16 **SEC. 245. POWERS OF COMMISSION.**

17 (a) HEARINGS.—The Commission may conduct pub-  
18 lic hearings or forums at the discretion of the Commission,  
19 at any time and place the Commission is able to secure  
20 facilities and witnesses, for the purpose of carrying out  
21 the duties of the Commission under this subtitle.

22 (b) DELEGATION OF AUTHORITY.—Any member or  
23 agent of the Commission may, if authorized by the Com-  
24 mission, take any action the Commission is authorized to  
25 take by this section.

1       (c) INFORMATION.—The Commission may secure di-  
2 rectly from any Federal agency information necessary to  
3 enable the Commission to carry out its duties under this  
4 subtitle. Upon request of the Chairperson or Vice Chair-  
5 person of the Commission, the head of a Federal agency  
6 shall furnish the information to the Commission to the ex-  
7 tent permitted by law.

8       (d) GIFTS, BEQUESTS, AND DEVISES.—The Commis-  
9 sion may accept, use, and dispose of gifts, bequests, or  
10 devises of services or property, both real and personal, for  
11 the purpose of aiding or facilitating the work of the Com-  
12 mission. Gifts, bequests, or devises of money and proceeds  
13 from sales of other property received as gifts, bequests,  
14 or devises shall be deposited in the Treasury and shall be  
15 available for disbursement upon order of the Commission.

16       (e) MAILS.—The Commission may use the United  
17 States mails in the same manner and under the same con-  
18 ditions as other Federal agencies.

19 **SEC. 246. REPORTS.**

20       (a) INTERIM REPORT.—Not later than 1 year prior  
21 to the date on which the Commission terminates pursuant  
22 to section 247, the Commission shall submit an interim  
23 report to the President and to the Congress. The interim  
24 report shall contain a detailed statement of the findings  
25 and conclusions of the Commission, together with the

1 Commission's recommendations for legislative and admin-  
2 istrative action, based on the activities of the Commission.

3 (b) FINAL REPORT.—Not later than the date on  
4 which the Commission terminates, the Commission shall  
5 submit to the Congress and to the President a final report  
6 containing—

7 (1) a detailed statement of final findings, con-  
8 clusions, and recommendations; and

9 (2) an assessment of the extent to which rec-  
10 ommendations of the Commission included in the in-  
11 terim report under subsection (a) have been imple-  
12 mented.

13 (c) PRINTING AND PUBLIC DISTRIBUTION.—Upon  
14 receipt of each report of the Commission under this sec-  
15 tion, the President shall—

16 (1) order the report to be printed; and

17 (2) make the report available to the public upon  
18 request.

19 **SEC. 247. TERMINATION.**

20 The Commission shall terminate on the date that is  
21 2 years after the date on which the members of the Com-  
22 mission have met and designated a Chairperson and Vice  
23 Chairperson.

1 **SEC. 248. AUTHORIZATION OF APPROPRIATIONS.**

2       There are authorized to be appropriated such sums  
3 as are necessary to carry out the purposes of the Commis-  
4 sion.

5                   **Subtitle F—Retirement Age**  
6                   **Eligibility**

7 **SEC. 251. ELIGIBILITY FOR SUPPLEMENTAL SECURITY IN-**  
8                   **COME BENEFITS BASED ON SOCIAL SECU-**  
9                   **RITY RETIREMENT AGE.**

10       (a) IN GENERAL.—Section 1614(a)(1)(A) (42 U.S.C.  
11 1382C(a)(1)(A)) is amended by striking “is 65 years of  
12 age or older,” and inserting “has attained retirement  
13 age.”.

14       (b) RETIREMENT AGE DEFINED.—Section 1614 (42  
15 U.S.C. 1382c) is amended by adding at the end the follow-  
16 ing new subsection:

17                   **“Retirement Age**

18       “(g) For purposes of this title, the term “retirement  
19 age” has the meaning given such term by section 216(l)(1)  
20 with respect to individuals entitled to old-age insurance.”.

21       (c) CONFORMING AMENDMENTS.—Sections 1601,  
22 1612(b)(4), 1615(a)(1), and 1620(b)(2) (42 U.S.C. 1381,  
23 1382a(b)(4), 1382d(a)(1), and 1382i(b)(2)) are amended  
24 by striking “age 65” each place it appears and inserting  
25 “retirement age”.

1 (d) EFFECTIVE DATE.—The amendments made by  
 2 this section shall take effect on the date of the enactment  
 3 of this Act.

## 4 **TITLE III—CHILD SUPPORT**

### 5 **SEC. 300. REFERENCE TO SOCIAL SECURITY ACT.**

6 Except as otherwise specifically provided, wherever in  
 7 this title an amendment is expressed in terms of an  
 8 amendment to or repeal of a section or other provision,  
 9 the reference shall be considered to be made to that sec-  
 10 tion or other provision of the Social Security Act.

## 11 **Subtitle A—Eligibility for Services;** 12 **Distribution of Payments**

### 13 **SEC. 301. STATE OBLIGATION TO PROVIDE CHILD SUP-** 14 **PORT ENFORCEMENT SERVICES.**

15 (a) STATE PLAN REQUIREMENTS.—Section 454 (42  
 16 U.S.C. 654) is amended—

17 (1) by striking paragraph (4) and inserting the  
 18 following new paragraph:

19 “(4) provide that the State will—

20 “(A) provide services relating to the estab-  
 21 lishment of paternity or the establishment,  
 22 modification, or enforcement of child support  
 23 obligations, as appropriate, under the plan with  
 24 respect to—

1           “(i) each child for whom (I) assist-  
 2           ance is provided under the State program  
 3           funded under part A of this title, (II) ben-  
 4           efits or services for foster care mainte-  
 5           nance are provided under the State pro-  
 6           gram funded under part E of this title,  
 7           (III) medical assistance is provided under  
 8           the State plan under title XV, or (IV)  
 9           medical assistance is provided under the  
 10          State plan approved under title XIX, un-  
 11          less, in accordance with paragraph (29),  
 12          good cause and other exceptions exist;

13           “(ii) any other child, if an individual  
 14          applies for such services with respect to  
 15          the child; and

16          “(B) enforce any support obligation estab-  
 17          lished with respect to—

18           “(i) a child with respect to whom the  
 19          State provides services under the plan; or

20           “(ii) the custodial parent of such a  
 21          child.”; and

22          (2) in paragraph (6)—

23           (A) by striking “provide that” and insert-  
 24          ing “provide that—”;



1 (B) by striking subparagraph (A) and in-  
 2 serting the following new subparagraph:

3 “(A) services under the plan shall be made  
 4 available to residents of other States on the  
 5 same terms as to residents of the State submit-  
 6 ting the plan;”;

7 (C) in subparagraph (B), by inserting “on  
 8 individuals not receiving assistance under any  
 9 State program funded under part A” after  
 10 “such services shall be imposed”;

11 (D) in each of subparagraphs (B), (C),  
 12 (D), and (E)—

13 (i) by indenting the subparagraph in  
 14 the same manner as, and aligning the left  
 15 margin of the subparagraph with the left  
 16 margin of, the matter inserted by subpara-  
 17 graph (B) of this paragraph; and

18 (ii) by striking the final comma and  
 19 inserting a semicolon; and

20 (E) in subparagraph (E), by indenting  
 21 each of clauses (i) and (ii) 2 additional ems.

22 (b) CONTINUATION OF SERVICES FOR FAMILIES  
 23 CEASING TO RECEIVE ASSISTANCE UNDER THE STATE  
 24 PROGRAM FUNDED UNDER PART A.—Section 454 (42  
 25 U.S.C. 654) is amended—

1           (1) by striking “and” at the end of paragraph  
2           (23);

3           (2) by striking the period at the end of para-  
4           graph (24) and inserting “; and”; and

5           (3) by adding after paragraph (24) the follow-  
6           ing new paragraph:

7           “(25) provide that if a family with respect to  
8           which services are provided under the plan ceases to  
9           receive assistance under the State program funded  
10          under part A, the State shall provide appropriate no-  
11          tice to the family and continue to provide such serv-  
12          ices, subject to the same conditions and on the same  
13          basis as in the case of other individuals to whom  
14          services are furnished under the plan, except that an  
15          application or other request to continue services  
16          shall not be required of such a family and paragraph  
17          (6)(B) shall not apply to the family.”.

18          (c) CONFORMING AMENDMENTS.—

19           (1) Section 452(b) (42 U.S.C. 652(b)) is  
20          amended by striking “454(6)” and inserting  
21          “454(4)”.

22           (2) Section 452(g)(2)(A) (42 U.S.C.  
23          652(g)(2)(A)) is amended by striking “454(6)” each  
24          place it appears and inserting “454(4)(A)(ii)”.

1           (3)    Section    466(a)(3)(B)    (42    U.S.C.  
2           666(a)(3)(B)) is amended by striking “in the case of  
3           overdue support which a State has agreed to collect  
4           under section 454(6)” and inserting “in any other  
5           case”.

6           (4)    Section    466(e)    (42    U.S.C.    666(e))    is  
7           amended by striking “paragraph (4) or (6) of sec-  
8           tion 454” and inserting “section 454(4)”.

9   **SEC. 302. DISTRIBUTION OF CHILD SUPPORT COLLEC-**  
10                                   **TIONS.**

11       (a) IN GENERAL.—Section 457 (42 U.S.C. 657) is  
12   amended to read as follows:

13   **“SEC. 457. DISTRIBUTION OF COLLECTED SUPPORT.**

14       “(a) IN GENERAL.—Subject to subsection (e), an  
15   amount collected on behalf of a family as support by a  
16   State pursuant to a plan approved under this part shall  
17   be distributed as follows:

18           “(1) FAMILIES RECEIVING ASSISTANCE.—In the  
19   case of a family receiving assistance from the State,  
20   the State shall—

21                   “(A) pay to the Federal Government the  
22                   Federal share of the amount so collected; and

23                   “(B) retain, or distribute to the family, the  
24                   State share of the amount so collected.

1           “(2) FAMILIES THAT FORMERLY RECEIVED AS-  
2           SISTANCE.—In the case of a family that formerly re-  
3           ceived assistance from the State:

4                 “(A) CURRENT SUPPORT PAYMENTS.—To  
5           the extent that the amount so collected does not  
6           exceed the amount required to be paid to the  
7           family for the month in which collected, the  
8           State shall distribute the amount so collected to  
9           the family.

10                “(B) PAYMENTS OF ARREARAGES.—To the  
11           extent that the amount so collected exceeds the  
12           amount required to be paid to the family for  
13           the month in which collected, the State shall  
14           distribute the amount so collected as follows:

15                   “(i) DISTRIBUTION OF ARREARAGES  
16           THAT ACCRUED AFTER THE FAMILY  
17           CEASED TO RECEIVE ASSISTANCE.—

18                         “(I) PRE-OCTOBER 1997.—Except  
19           as provided in subclause (II), the pro-  
20           visions of this section (other than sub-  
21           section (b)(1)) as in effect and applied  
22           on the day before the date of the en-  
23           actment of section 302 of the Per-  
24           sonal Responsibility and Work Oppor-  
25           tunity Act of 1996 shall apply with

1 respect to the distribution of support  
2 arrearages that—

3 “(aa) accrued after the fam-  
4 ily ceased to receive assistance,  
5 and

6 “(bb) are collected before  
7 October 1, 1997.

8 “(II) POST-SEPTEMBER 1997.—

9 With respect to the amount so col-  
10 lected on or after October 1, 1997 (or  
11 before such date, at the option of the  
12 State)—

13 “(aa) IN GENERAL.—The  
14 State shall first distribute the  
15 amount so collected (other than  
16 any amount described in clause  
17 (iv)) to the family to the extent  
18 necessary to satisfy any support  
19 arrearages with respect to the  
20 family that accrued after the  
21 family ceased to receive assist-  
22 ance from the State.

23 “(bb) REIMBURSEMENT OF  
24 GOVERNMENTS FOR ASSISTANCE  
25 PROVIDED TO THE FAMILY.—

1 After the application of division  
 2 (aa) and clause (ii)(II)(aa) with  
 3 respect to the amount so col-  
 4 lected, the State shall retain the  
 5 State share of the amount so col-  
 6 lected, and pay to the Federal  
 7 Government the Federal share  
 8 (as defined in subsection (c)(2))  
 9 of the amount so collected, but  
 10 only to the extent necessary to  
 11 reimburse amounts paid to the  
 12 family as assistance by the State.

13 “(cc) DISTRIBUTION OF THE  
 14 REMAINDER TO THE FAMILY.—  
 15 To the extent that neither divi-  
 16 sion (aa) nor division (bb) applies  
 17 to the amount so collected, the  
 18 State shall distribute the amount  
 19 to the family.

20 “(ii) DISTRIBUTION OF ARREARAGES  
 21 THAT ACCRUED BEFORE THE FAMILY RE-  
 22 CEIVED ASSISTANCE.—

23 “(I) PRE-OCTOBER 2000.—Except  
 24 as provided in subclause (II), the pro-  
 25 visions of this section (other than sub-

1 section (b)(1)) as in effect and applied  
2 on the day before the date of the en-  
3 actment of section 302 of the Per-  
4 sonal Responsibility and Work Oppor-  
5 tunity Act of 1996 shall apply with  
6 respect to the distribution of support  
7 arrearages that—

8 “(aa) accrued before the  
9 family received assistance, and

10 “(bb) are collected before  
11 October 1, 2000.

12 “(II) POST-SEPTEMBER 2000.—

13 Unless, based on the report required  
14 by paragraph (4), the Congress deter-  
15 mines otherwise, with respect to the  
16 amount so collected on or after Octo-  
17 ber 1, 2000 (or before such date, at  
18 the option of the State)—

19 “(aa) IN GENERAL.—The  
20 State shall first distribute the  
21 amount so collected (other than  
22 any amount described in clause  
23 (iv)) to the family to the extent  
24 necessary to satisfy any support  
25 arrearages with respect to the

1 family that accrued before the  
2 family received assistance from  
3 the State.

4 “(bb) REIMBURSEMENT OF  
5 GOVERNMENTS FOR ASSISTANCE  
6 PROVIDED TO THE FAMILY.—  
7 After the application of clause  
8 (i)(II)(aa) and division (aa) with  
9 respect to the amount so col-  
10 lected, the State shall retain the  
11 State share of the amount so col-  
12 lected, and pay to the Federal  
13 Government the Federal share  
14 (as defined in subsection (c)(2))  
15 of the amount so collected, but  
16 only to the extent necessary to  
17 reimburse amounts paid to the  
18 family as assistance by the State.

19 “(cc) DISTRIBUTION OF THE  
20 REMAINDER TO THE FAMILY.—  
21 To the extent that neither divi-  
22 sion (aa) nor division (bb) applies  
23 to the amount so collected, the  
24 State shall distribute the amount  
25 to the family.



1           “(iii) DISTRIBUTION OF ARREARAGES  
2           THAT ACCRUED WHILE THE FAMILY RE-  
3           CEIVED ASSISTANCE.—In the case of a  
4           family described in this subparagraph, the  
5           provisions of paragraph (1) shall apply  
6           with respect to the distribution of support  
7           arrearages that accrued while the family  
8           received assistance.

9           “(iv) AMOUNTS COLLECTED PURSU-  
10          ANT TO SECTION 464.—Notwithstanding  
11          any other provision of this section, any  
12          amount of support collected pursuant to  
13          section 464 shall be retained by the State  
14          to the extent past-due support has been as-  
15          signed to the State as a condition of re-  
16          ceiving assistance from the State, up to the  
17          amount necessary to reimburse the State  
18          for amounts paid to the family as assist-  
19          ance by the State. The State shall pay to  
20          the Federal Government the Federal share  
21          of the amounts so retained. To the extent  
22          the amount collected pursuant to section  
23          464 exceeds the amount so retained, the  
24          State shall distribute the excess to the  
25          family.

1                   “(v) ORDERING RULES FOR DISTRIBUTIONS.—For purposes of this subparagraph, unless an earlier effective date is required by this section, effective October 1, 2000, the State shall treat any support arrearages collected as accruing in the following order:

8                   “(I) To the period after the family ceased to receive assistance.

10                  “(II) To the period before the family received assistance.

12                  “(III) To the period while the family was receiving assistance.

14                  “(3) FAMILIES THAT NEVER RECEIVED ASSISTANCE.—In the case of any other family, the State shall distribute the amount so collected to the family.

18                  “(4) STUDY AND REPORT.—Not later than October 1, 1998, the Secretary shall report to the Congress the Secretary’s findings with respect to—

21                  “(A) whether the distribution of post-assistance arrearages to families has been effective in moving people off of welfare and keeping them off of welfare;

1           “(B) whether early implementation of a  
2           pre-assistance arrearage program by some  
3           States has been effective in moving people off  
4           of welfare and keeping them off of welfare;

5           “(C) what the overall impact has been of  
6           the amendments made by the Personal Respon-  
7           sibility and Work Opportunity Act of 1996 with  
8           respect to child support enforcement in moving  
9           people off of welfare and keeping them off of  
10          welfare; and

11          “(D) based on the information and data  
12          the Secretary has obtained, what changes, if  
13          any, should be made in the policies related to  
14          the distribution of child support arrearages.

15          “(b) CONTINUATION OF ASSIGNMENTS.—Any rights  
16          to support obligations, which were assigned to a State as  
17          a condition of receiving assistance from the State under  
18          part A and which were in effect on the day before the  
19          date of the enactment of the Personal Responsibility and  
20          Work Opportunity Act of 1996, shall remain assigned  
21          after such date.

22          “(c) DEFINITIONS.—As used in subsection (a):

23                 “(1) ASSISTANCE.—The term ‘assistance from  
24                 the State’ means—

1           “(A) assistance under the State program  
2           funded under part A or under the State plan  
3           approved under part A of this title (as in effect  
4           on the day before the date of the enactment of  
5           the Personal Responsibility and Work Oppor-  
6           tunity Act of 1996); or

7           “(B) benefits under the State plan ap-  
8           proved under part E of this title (as in effect  
9           on the day before the date of the enactment of  
10          the Personal Responsibility and Work Oppor-  
11          tunity Act of 1996).

12          “(2) FEDERAL SHARE.—The term ‘Federal  
13          share’ means that portion of the amount collected  
14          resulting from the application of the Federal medical  
15          assistance percentage in effect for the fiscal year in  
16          which the amount is collected.

17          “(3) FEDERAL MEDICAL ASSISTANCE PERCENT-  
18          AGE.—The term ‘Federal medical assistance per-  
19          centage’ means—

20               “(A) the Federal medical assistance per-  
21               centage (as defined in section 1118), in the case  
22               of Puerto Rico, the Virgin Islands, Guam, and  
23               American Samoa; or

1           “(B) the Federal medical assistance per-  
2           centage (as defined in section 1905(b)) in the  
3           case of any other State.

4           “(4) STATE SHARE.—The term ‘State share’  
5           means 100 percent minus the Federal share.

6           “(d) HOLD HARMLESS PROVISION.—If the amounts  
7           collected which could be retained by the State in the fiscal  
8           year (to the extent necessary to reimburse the State for  
9           amounts paid to families as assistance by the State) are  
10          less than the State share of the amounts collected in fiscal  
11          year 1995 (determined in accordance with section 457 as  
12          in effect on the day before the date of the enactment of  
13          the Personal Responsibility and Work Opportunity Act of  
14          1996), the State share for the fiscal year shall be an  
15          amount equal to the State share in fiscal year 1995.

16          “(e) GAP PAYMENTS NOT SUBJECT TO DISTRIBUTION UNDER THIS SECTION.—This section shall not  
17          apply to any amount collected on behalf of a family as  
18          support by a State pursuant to a plan approved under this  
19          part if such amount would have been distributed to the  
20          family by the State under section 402(a)(28), as in effect  
21          and applied on the day before the date of the enactment  
22          of section 302 of the Personal Responsibility and Work  
23          Opportunity Act of 1996.”.

24          (b) CONFORMING AMENDMENTS.—  
25

1           (1) Section 464(a)(1) (42 U.S.C. 664(a)(1)) is  
2       amended by striking “section 457(b)(4) or (d)(3)”  
3       and inserting “section 457”.

4           (2) Section 454 (42 U.S.C. 654) is amended—  
5               (A) in paragraph (11)—

6                       (i) by striking “(11)” and inserting  
7                       “(11)(A)”; and

8                       (ii) by inserting after the semicolon  
9                       “and”; and

10               (B) by redesignating paragraph (12) as  
11       subparagraph (B) of paragraph (11).

12       (c) EFFECTIVE DATES.—

13           (1) IN GENERAL.—Except as provided in para-  
14       graph (2), the amendments made by this section  
15       shall be effective on July 1, 1996, or earlier at the  
16       State’s option.

17           (2) CONFORMING AMENDMENTS.—The amend-  
18       ments made by subsection (b)(2) shall become effec-  
19       tive on the date of the enactment of this Act.

20       **SEC. 303. PRIVACY SAFEGUARDS.**

21       (a) STATE PLAN REQUIREMENT.—Section 454 (42  
22       U.S.C. 654), as amended by section 301(b) of this Act,  
23       is amended—

24               (1) by striking “and” at the end of paragraph  
25       (24);

1           (2) by striking the period at the end of para-  
2           graph (25) and inserting “; and”; and

3           (3) by adding after paragraph (25) the follow-  
4           ing new paragraph:

5           “(26) will have in effect safeguards, applicable  
6           to all confidential information handled by the State  
7           agency, that are designed to protect the privacy  
8           rights of the parties, including—

9           “(A) safeguards against unauthorized use  
10          or disclosure of information relating to proceed-  
11          ings or actions to establish paternity, or to es-  
12          tablish or enforce support;

13          “(B) prohibitions against the release of in-  
14          formation on the whereabouts of 1 party to an-  
15          other party against whom a protective order  
16          with respect to the former party has been en-  
17          tered; and

18          “(C) prohibitions against the release of in-  
19          formation on the whereabouts of 1 party to an-  
20          other party if the State has reason to believe  
21          that the release of the information may result  
22          in physical or emotional harm to the former  
23          party.”.

24          (b) EFFECTIVE DATE.—The amendment made by  
25          subsection (a) shall become effective on October 1, 1997.

1 **SEC. 304. RIGHTS TO NOTIFICATION OF HEARINGS.**

2 (a) IN GENERAL.—Section 454 (42 U.S.C. 654), as  
3 amended by section 302(b)(2) of this Act, is amended by  
4 inserting after paragraph (11) the following new para-  
5 graph:

6 “(12) provide for the establishment of proce-  
7 dures to require the State to provide individuals who  
8 are applying for or receiving services under the State  
9 plan, or who are parties to cases in which services  
10 are being provided under the State plan—

11 “(A) with notice of all proceedings in  
12 which support obligations might be established  
13 or modified; and

14 “(B) with a copy of any order establishing  
15 or modifying a child support obligation, or (in  
16 the case of a petition for modification) a notice  
17 of determination that there should be no change  
18 in the amount of the child support award, with-  
19 in 14 days after issuance of such order or de-  
20 termination;”.

21 (b) EFFECTIVE DATE.—The amendment made by  
22 subsection (a) shall become effective on October 1, 1997.



## **Subtitle B—Locate and Case Tracking**

### **3 SEC. 311. STATE CASE REGISTRY.**

4 Section 454A, as added by section 344(a)(2) of this  
5 Act, is amended by adding at the end the following new  
6 subsections:

7 “(e) STATE CASE REGISTRY.—

8 “(1) CONTENTS.—The automated system re-  
9 quired by this section shall include a registry (which  
10 shall be known as the ‘State case registry’) that con-  
11 tains records with respect to—

12 “(A) each case in which services are being  
13 provided by the State agency under the State  
14 plan approved under this part; and

15 “(B) each support order established or  
16 modified in the State on or after October 1,  
17 1998.

18 “(2) LINKING OF LOCAL REGISTRIES.—The  
19 State case registry may be established by linking  
20 local case registries of support orders through an  
21 automated information network, subject to this sec-  
22 tion.

23 “(3) USE OF STANDARDIZED DATA ELE-  
24 MENTS.—Such records shall use standardized data  
25 elements for both parents (such as names, social se-

1 curity numbers and other uniform identification  
2 numbers, dates of birth, and case identification  
3 numbers), and contain such other information (such  
4 as on case status) as the Secretary may require.

5 “(4) PAYMENT RECORDS.—Each case record in  
6 the State case registry with respect to which services  
7 are being provided under the State plan approved  
8 under this part and with respect to which a support  
9 order has been established shall include a record  
10 of—

11 “(A) the amount of monthly (or other peri-  
12 odic) support owed under the order, and other  
13 amounts (including arrearages, interest or late  
14 payment penalties, and fees) due or overdue  
15 under the order;

16 “(B) any amount described in subpara-  
17 graph (A) that has been collected;

18 “(C) the distribution of such collected  
19 amounts;

20 “(D) the birth date of any child for whom  
21 the order requires the provision of support; and

22 “(E) the amount of any lien imposed with  
23 respect to the order pursuant to section  
24 466(a)(4).

1           “(5) UPDATING AND MONITORING.—The State  
2           agency operating the automated system required by  
3           this section shall promptly establish and update,  
4           maintain, and regularly monitor, case records in the  
5           State case registry with respect to which services are  
6           being provided under the State plan approved under  
7           this part, on the basis of—

8                   “(A) information on administrative actions  
9                   and administrative and judicial proceedings and  
10                  orders relating to paternity and support;

11                  “(B) information obtained from compari-  
12                  son with Federal, State, or local sources of in-  
13                  formation;

14                  “(C) information on support collections  
15                  and distributions; and

16                  “(D) any other relevant information.

17           “(f) INFORMATION COMPARISONS AND OTHER DIS-  
18           CLOSURES OF INFORMATION.—The State shall use the  
19           automated system required by this section to extract infor-  
20           mation from (at such times, and in such standardized for-  
21           mat or formats, as may be required by the Secretary), to  
22           share and compare information with, and to receive infor-  
23           mation from, other data bases and information compari-  
24           son services, in order to obtain (or provide) information  
25           necessary to enable the State agency (or the Secretary or

1 other State or Federal agencies) to carry out this part,  
2 subject to section 6103 of the Internal Revenue Code of  
3 1986. Such information comparison activities shall include  
4 the following:

5           “(1) FEDERAL CASE REGISTRY OF CHILD SUP-  
6       PORT ORDERS.—Furnishing to the Federal Case  
7       Registry of Child Support Orders established under  
8       section 453(h) (and update as necessary, with infor-  
9       mation including notice of expiration of orders) the  
10      minimum amount of information on child support  
11      cases recorded in the State case registry that is nec-  
12      essary to operate the registry (as specified by the  
13      Secretary in regulations).

14           “(2) FEDERAL PARENT LOCATOR SERVICE.—  
15      Exchanging information with the Federal Parent  
16      Locator Service for the purposes specified in section  
17      453.

18           “(3) TEMPORARY FAMILY ASSISTANCE AND  
19      MEDICAID AGENCIES.—Exchanging information with  
20      State agencies (of the State and of other States) ad-  
21      ministering programs funded under part A, pro-  
22      grams operated under a State plan under title XV  
23      or a State plan approved under title XIX, and other  
24      programs designated by the Secretary, as necessary

1 to perform State agency responsibilities under this  
 2 part and under such programs.

3 “(4) INTRASTATE AND INTERSTATE INFORMA-  
 4 TION COMPARISONS.—Exchanging information with  
 5 other agencies of the State, agencies of other States,  
 6 and interstate information networks, as necessary  
 7 and appropriate to carry out (or assist other States  
 8 to carry out) the purposes of this part.”.

9 **SEC. 312. COLLECTION AND DISBURSEMENT OF SUPPORT**  
 10 **PAYMENTS.**

11 (a) STATE PLAN REQUIREMENT.—Section 454 (42  
 12 U.S.C. 654), as amended by sections 301(b) and 303(a)  
 13 of this Act, is amended—

14 (1) by striking “and” at the end of paragraph  
 15 (25);

16 (2) by striking the period at the end of para-  
 17 graph (26) and inserting “; and”; and

18 (3) by adding after paragraph (26) the follow-  
 19 ing new paragraph:

20 “(27) provide that, on and after October 1,  
 21 1998, the State agency will—

22 “(A) operate a State disbursement unit in  
 23 accordance with section 454B; and

24 “(B) have sufficient State staff (consisting  
 25 of State employees) and (at State option) con-

1 tractors reporting directly to the State agency  
2 to—

3 “(i) monitor and enforce support col-  
4 lections through the unit in cases being en-  
5 forced by the State pursuant to section  
6 454(4) (including carrying out the auto-  
7 mated data processing responsibilities de-  
8 scribed in section 454A(g)); and

9 “(ii) take the actions described in sec-  
10 tion 466(c)(1) in appropriate cases.”.

11 (b) ESTABLISHMENT OF STATE DISBURSEMENT  
12 UNIT.—Part D of title IV (42 U.S.C. 651–669), as  
13 amended by section 344(a)(2) of this Act, is amended by  
14 inserting after section 454A the following new section:

15 **“SEC. 454B. COLLECTION AND DISBURSEMENT OF SUP-**  
16 **PORT PAYMENTS.**

17 “(a) STATE DISBURSEMENT UNIT.—

18 “(1) IN GENERAL.—In order for a State to  
19 meet the requirements of this section, the State  
20 agency must establish and operate a unit (which  
21 shall be known as the ‘State disbursement unit’) for  
22 the collection and disbursement of payments under  
23 support orders—

24 “(A) in all cases being enforced by the  
25 State pursuant to section 454(4); and

1           “(B) in all cases not being enforced by the  
 2           State under this part in which the support  
 3           order is initially issued in the State on or after  
 4           January 1, 1994, and in which the wages of the  
 5           noncustodial parent are subject to withholding  
 6           pursuant to section 466(a)(8)(B).

7           “(2) OPERATION.—The State disbursement  
 8           unit shall be operated—

9           “(A) directly by the State agency (or 2 or  
 10          more State agencies under a regional coopera-  
 11          tive agreement), or (to the extent appropriate)  
 12          by a contractor responsible directly to the State  
 13          agency; and

14          “(B) except in cases described in para-  
 15          graph (1)(B), in coordination with the auto-  
 16          mated system established by the State pursuant  
 17          to section 454A.

18          “(3) LINKING OF LOCAL DISBURSEMENT  
 19          UNITS.—The State disbursement unit may be estab-  
 20          lished by linking local disbursement units through  
 21          an automated information network, subject to this  
 22          section, if the Secretary agrees that the system will  
 23          not cost more nor take more time to establish or op-  
 24          erate than a centralized system. In addition, employ-

1       ers shall be given 1 location to which income with-  
2       holding is sent.

3       “(b) REQUIRED PROCEDURES.—The State disburse-  
4       ment unit shall use automated procedures, electronic proc-  
5       esses, and computer-driven technology to the maximum  
6       extent feasible, efficient, and economical, for the collection  
7       and disbursement of support payments, including proce-  
8       dures—

9               “(1) for receipt of payments from parents, em-  
10       ployers, and other States, and for disbursements to  
11       custodial parents and other obligees, the State agen-  
12       cy, and the agencies of other States;

13              “(2) for accurate identification of payments;

14              “(3) to ensure prompt disbursement of the cus-  
15       todial parent’s share of any payment; and

16              “(4) to furnish to any parent, upon request,  
17       timely information on the current status of support  
18       payments under an order requiring payments to be  
19       made by or to the parent.

20       “(c) TIMING OF DISBURSEMENTS.—

21              “(1) IN GENERAL.—Except as provided in para-  
22       graph (2), the State disbursement unit shall distrib-  
23       ute all amounts payable under section 457(a) within  
24       2 business days after receipt from the employer or



1 other source of periodic income, if sufficient infor-  
2 mation identifying the payee is provided.

3 “(2) PERMISSIVE RETENTION OF ARREAR-  
4 AGES.—The State disbursement unit may delay the  
5 distribution of collections toward arrearages until  
6 the resolution of any timely appeal with respect to  
7 such arrearages.

8 “(d) BUSINESS DAY DEFINED.—As used in this sec-  
9 tion, the term ‘business day’ means a day on which State  
10 offices are open for regular business.”.

11 (c) USE OF AUTOMATED SYSTEM.—Section 454A, as  
12 added by section 344(a)(2) and as amended by section 311  
13 of this Act, is amended by adding at the end the following  
14 new subsection:

15 “(g) COLLECTION AND DISTRIBUTION OF SUPPORT  
16 PAYMENTS.—

17 “(1) IN GENERAL.—The State shall use the  
18 automated system required by this section, to the  
19 maximum extent feasible, to assist and facilitate the  
20 collection and disbursement of support payments  
21 through the State disbursement unit operated under  
22 section 454B, through the performance of functions,  
23 including, at a minimum—

1           “(A) transmission of orders and notices to  
2           employers (and other debtors) for the withhold-  
3           ing of wages and other income—

4                   “(i) within 2 business days after re-  
5                   ceipt of notice of, and the income source  
6                   subject to, such withholding from a court,  
7                   another State, an employer, the Federal  
8                   Parent Locator Service, or another source  
9                   recognized by the State; and

10                   “(ii) using uniform formats prescribed  
11                   by the Secretary;

12           “(B) ongoing monitoring to promptly iden-  
13           tify failures to make timely payment of support;  
14           and

15           “(C) automatic use of enforcement proce-  
16           dures (including procedures authorized pursu-  
17           ant to section 466(c)) if payments are not time-  
18           ly made.

19           “(2) BUSINESS DAY DEFINED.—As used in  
20           paragraph (1), the term ‘business day’ means a day  
21           on which State offices are open for regular busi-  
22           ness.”.

23           (d) EFFECTIVE DATES.—

1           (1) IN GENERAL.—Except as provided in para-  
 2           graph (2), the amendments made by this section  
 3           shall become effective on October 1, 1998.

4           (2) LIMITED EXCEPTION TO UNIT HANDLING  
 5           PAYMENTS.—Notwithstanding section 454B(b)(1) of  
 6           the Social Security Act, as added by this section,  
 7           any State which, as of the date of the enactment of  
 8           this Act, processes the receipt of child support pay-  
 9           ments through local courts, and, as of March 21,  
 10          1996, such courts were not funded under part D of  
 11          title IV of the Social Security Act, may, at the op-  
 12          tion of the State, continue to process through Sep-  
 13          tember 30, 1999, such payments through such  
 14          courts as processed such payments on or before such  
 15          date of enactment.

16 **SEC. 313. STATE DIRECTORY OF NEW HIRES.**

17          (a) STATE PLAN REQUIREMENT.—Section 454 (42  
 18          U.S.C. 654), as amended by sections 301(b), 303(a), and  
 19          312(a) of this Act, is amended—

20               (1) by striking “and” at the end of paragraph  
 21               (26);

22               (2) by striking the period at the end of para-  
 23               graph (27) and inserting “; and”; and

24               (3) by adding after paragraph (27) the follow-  
 25               ing new paragraph:

1           “(28) provide that, on and after October 1,  
2           1997, the State will operate a State Directory of  
3           New Hires in accordance with section 453A.”.

4           (b) STATE DIRECTORY OF NEW HIRES.—Part D of  
5 title IV (42 U.S.C. 651–669) is amended by inserting  
6 after section 453 the following new section:

7   **“SEC. 453A. STATE DIRECTORY OF NEW HIRES.**

8           “(a) ESTABLISHMENT.—

9           “(1) IN GENERAL.—

10           “(A) REQUIREMENT FOR STATES THAT  
11           HAVE NO DIRECTORY.—Except as provided in  
12           subparagraph (B), not later than October 1,  
13           1997, each State shall establish an automated  
14           directory (to be known as the ‘State Directory  
15           of New Hires’) which shall contain information  
16           supplied in accordance with subsection (b) by  
17           employers on each newly hired employee.

18           “(B) STATES WITH NEW HIRE REPORTING  
19           IN EXISTENCE.—A State which has a new hire  
20           reporting law in existence on the date of the en-  
21           actment of this section may continue to operate  
22           under the State law, but the State must meet  
23           the requirements of subsection (g)(2) not later  
24           than October 1, 1997, and the requirements of

1           this section (other than subsection (g)(2)) not  
2           later than October 1, 1998.

3           “(2) DEFINITIONS.—As used in this section:

4                 “(A) EMPLOYEE.—The term ‘employee’—

5                         “(i) means an individual who is an  
6                         employee within the meaning of chapter 24  
7                         of the Internal Revenue Code of 1986; and

8                         “(ii) does not include an employee of  
9                         a Federal or State agency performing in-  
10                        telligence or counterintelligence functions,  
11                        if the head of such agency has determined  
12                        that reporting pursuant to paragraph (1)  
13                        with respect to the employee could endan-  
14                        ger the safety of the employee or com-  
15                        promise an ongoing investigation or intel-  
16                        ligence mission.

17                “(B) EMPLOYER.—

18                       “(i) IN GENERAL.—The term ‘em-  
19                       ployer’ has the meaning given such term in  
20                       section 3401(d) of the Internal Revenue  
21                       Code of 1986 and includes any govern-  
22                       mental entity and any labor organization.

23                       “(ii) LABOR ORGANIZATION.—The  
24                       term ‘labor organization’ shall have the  
25                       meaning given such term in section 2(5) of

1 the National Labor Relations Act, and in-  
2 cludes any entity (also known as a ‘hiring  
3 hall’) which is used by the organization  
4 and an employer to carry out requirements  
5 described in section 8(f)(3) of such Act of  
6 an agreement between the organization  
7 and the employer.

8 “(b) EMPLOYER INFORMATION.—

9 “(1) REPORTING REQUIREMENT.—

10 “(A) IN GENERAL.—Except as provided in  
11 subparagraphs (B) and (C), each employer shall  
12 furnish to the Directory of New Hires of the  
13 State in which a newly hired employee works, a  
14 report that contains the name, address, and so-  
15 cial security number of the employee, and the  
16 name and address of, and identifying number  
17 assigned under section 6109 of the Internal  
18 Revenue Code of 1986 to, the employer.

19 “(B) MULTISTATE EMPLOYERS.—An em-  
20 ployer that has employees who are employed in  
21 2 or more States and that transmits reports  
22 magnetically or electronically may comply with  
23 subparagraph (A) by designating 1 State in  
24 which such employer has employees to which  
25 the employer will transmit the report described

in subparagraph (A), and transmitting such report to such State. Any employer that transmits reports pursuant to this subparagraph shall notify the Secretary in writing as to which State such employer designates for the purpose of sending reports.

“(C) FEDERAL GOVERNMENT EMPLOYERS.—Any department, agency, or instrumentality of the United States shall comply with subparagraph (A) by transmitting the report described in subparagraph (A) to the National Directory of New Hires established pursuant to section 453.

“(2) TIMING OF REPORT.—Each State may provide the time within which the report required by paragraph (1) shall be made with respect to an employee, but such report shall be made—

“(A) not later than 20 days after the date the employer hires the employee; or

“(B) in the case of an employer transmitting reports magnetically or electronically, by 2 monthly transmissions (if necessary) not less than 12 days nor more than 16 days apart.

“(c) REPORTING FORMAT AND METHOD.—Each report required by subsection (b) shall be made on a W—

1 4 form or, at the option of the employer, an equivalent  
 2 form, and may be transmitted by 1st class mail, magneti-  
 3 cally, or electronically.

4 “(d) CIVIL MONEY PENALTIES ON NONCOMPLYING  
 5 EMPLOYERS.—The State shall have the option to set a  
 6 State civil money penalty which shall be less than—

7 “(1) \$25; or

8 “(2) \$500 if, under State law, the failure is the  
 9 result of a conspiracy between the employer and the  
 10 employee to not supply the required report or to  
 11 supply a false or incomplete report.

12 “(e) ENTRY OF EMPLOYER INFORMATION.—Infor-  
 13 mation shall be entered into the data base maintained by  
 14 the State Directory of New Hires within 5 business days  
 15 of receipt from an employer pursuant to subsection (b).

16 “(f) INFORMATION COMPARISONS.—

17 “(1) IN GENERAL.—Not later than May 1,  
 18 1998, an agency designated by the State shall, di-  
 19 rectly or by contract, conduct automated compari-  
 20 sons of the social security numbers reported by em-  
 21 ployers pursuant to subsection (b) and the social se-  
 22 curity numbers appearing in the records of the State  
 23 case registry for cases being enforced under the  
 24 State plan.



1           “(2) NOTICE OF MATCH.—When an information  
2           comparison conducted under paragraph (1) reveals a  
3           match with respect to the social security number of  
4           an individual required to provide support under a  
5           support order, the State Directory of New Hires  
6           shall provide the agency administering the State  
7           plan approved under this part of the appropriate  
8           State with the name, address, and social security  
9           number of the employee to whom the social security  
10          number is assigned, and the name and address of,  
11          and identifying number assigned under section 6109  
12          of the Internal Revenue Code of 1986 to, the em-  
13          ployer.

14          “(g) TRANSMISSION OF INFORMATION.—

15               “(1) TRANSMISSION OF WAGE WITHHOLDING  
16               NOTICES TO EMPLOYERS.—Within 2 business days  
17               after the date information regarding a newly hired  
18               employee is entered into the State Directory of New  
19               Hires, the State agency enforcing the employee’s  
20               child support obligation shall transmit a notice to  
21               the employer of the employee directing the employer  
22               to withhold from the wages of the employee an  
23               amount equal to the monthly (or other periodic)  
24               child support obligation (including any past due sup-  
25               port obligation) of the employee, unless the employ-

1 ee's wages are not subject to withholding pursuant  
2 to section 466(b)(3).

3 “(2) TRANSMISSIONS TO THE NATIONAL DIREC-  
4 TORY OF NEW HIRES.—

5 “(A) NEW HIRE INFORMATION.—Within 3  
6 business days after the date information re-  
7 garding a newly hired employee is entered into  
8 the State Directory of New Hires, the State Di-  
9 rectory of New Hires shall furnish the informa-  
10 tion to the National Directory of New Hires.

11 “(B) WAGE AND UNEMPLOYMENT COM-  
12 PENSATION INFORMATION.—The State Direc-  
13 tory of New Hires shall, on a quarterly basis,  
14 furnish to the National Directory of New Hires  
15 extracts of the reports required under section  
16 303(a)(6) to be made to the Secretary of Labor  
17 concerning the wages and unemployment com-  
18 pensation paid to individuals, by such dates, in  
19 such format, and containing such information  
20 as the Secretary of Health and Human Services  
21 shall specify in regulations.

22 “(3) BUSINESS DAY DEFINED.—As used in this  
23 subsection, the term ‘business day’ means a day on  
24 which State offices are open for regular business.

25 “(h) OTHER USES OF NEW HIRE INFORMATION.—

1           “(1) LOCATION OF CHILD SUPPORT OBLI-  
2           GORS.—The agency administering the State plan ap-  
3           proved under this part shall use information received  
4           pursuant to subsection (f)(2) to locate individuals  
5           for purposes of establishing paternity and establish-  
6           ing, modifying, and enforcing child support obliga-  
7           tions.

8           “(2) VERIFICATION OF ELIGIBILITY FOR CER-  
9           TAIN PROGRAMS.—A State agency responsible for  
10          administering a program specified in section 1137(b)  
11          shall have access to information reported by employ-  
12          ers pursuant to subsection (b) of this section for  
13          purposes of verifying eligibility for the program.

14          “(3) ADMINISTRATION OF EMPLOYMENT SECUC-  
15          RITY AND WORKERS’ COMPENSATION.—State agen-  
16          cies operating employment security and workers’  
17          compensation programs shall have access to informa-  
18          tion reported by employers pursuant to subsection  
19          (b) for the purposes of administering such pro-  
20          grams.”.

21          (c) QUARTERLY WAGE REPORTING.—Section  
22          1137(a)(3) (42 U.S.C. 1320b–7(a)(3)) is amended—

23                 (1) by inserting “(including State and local gov-  
24                 ernmental entities and labor organizations (as de-

1        fined in section 453A(a)(2)(B)(iii))” after “employ-  
 2        ers”; and

3            (2) by inserting “, and except that no report  
 4        shall be filed with respect to an employee of a State  
 5        or local agency performing intelligence or counter-  
 6        intelligence functions, if the head of such agency has  
 7        determined that filing such a report could endanger  
 8        the safety of the employee or compromise an ongoing  
 9        investigation or intelligence mission” after  
 10       “paragraph (2)”.

11 **SEC. 314. AMENDMENTS CONCERNING INCOME WITHHOLD-**  
 12 **ING.**

13        (a) MANDATORY INCOME WITHHOLDING.—

14            (1) IN GENERAL.—Section 466(a)(1) (42  
 15        U.S.C. 666(a)(1)) is amended to read as follows:

16            “(1)(A) Procedures described in subsection (b)  
 17        for the withholding from income of amounts payable  
 18        as support in cases subject to enforcement under the  
 19        State plan.

20            “(B) Procedures under which the wages of a  
 21        person with a support obligation imposed by a sup-  
 22        port order issued (or modified) in the State before  
 23        October 1, 1996, if not otherwise subject to with-  
 24        holding under subsection (b), shall become subject to  
 25        withholding as provided in subsection (b) if arrear-

1       ages occur, without the need for a judicial or admin-  
2       istrative hearing.”.

3               (2) CONFORMING AMENDMENTS.—

4               (A) Section 466(b) (42 U.S.C. 666(b)) is  
5       amended in the matter preceding paragraph  
6       (1), by striking “subsection (a)(1)” and insert-  
7       ing “subsection (a)(1)(A)”.

8               (B) Section 466(b)(4) (42 U.S.C.  
9       666(b)(4)) is amended to read as follows:

10              “(4)(A) Such withholding must be carried out  
11       in full compliance with all procedural due process re-  
12       quirements of the State, and the State must send  
13       notice to each noncustodial parent to whom para-  
14       graph (1) applies—

15              “(i) that the withholding has commenced;

16              and

17              “(ii) of the procedures to follow if the non-  
18       custodial parent desires to contest such with-  
19       holding on the grounds that the withholding or  
20       the amount withheld is improper due to a mis-  
21       take of fact.

22              “(B) The notice under subparagraph (A) of this  
23       paragraph shall include the information provided to  
24       the employer under paragraph (6)(A).”.

1           (C)    Section    466(b)(5)   (42    U.S.C.  
2           666(b)(5)) is amended by striking all that fol-  
3           lows “administered by” and inserting “the  
4           State through the State disbursement unit es-  
5           tablished pursuant to section 454B, in accord-  
6           ance with the requirements of section 454B.”.

7           (D)    Section    466(b)(6)(A)   (42    U.S.C.  
8           666(b)(6)(A)) is amended—

9                   (i) in clause (i), by striking “to the  
10                  appropriate agency” and all that follows  
11                  and inserting “to the State disbursement  
12                  unit within 5 business days after the date  
13                  the amount would (but for this subsection)  
14                  have been paid or credited to the employee,  
15                  for distribution in accordance with this  
16                  part. The employer shall comply with the  
17                  procedural rules relating to income with-  
18                  holding of the State in which the employee  
19                  works, regardless of the State where the  
20                  notice originates.”

21                  (ii) in clause (ii), by inserting “be in  
22                  a standard format prescribed by the Sec-  
23                  retary, and” after “shall”; and

24                  (iii) by adding at the end the follow-  
25                  ing new clause:

1           “(iii) As used in this subparagraph, the term  
2           ‘business day’ means a day on which State offices  
3           are open for regular business.”.

4           (E) Section 466(b)(6)(D) (42 U.S.C.  
5           666(b)(6)(D)) is amended by striking “any em-  
6           ployer” and all that follows and inserting “any  
7           employer who—

8           “(i) discharges from employment, refuses  
9           to employ, or takes disciplinary action against  
10          any noncustodial parent subject to wage with-  
11          holding required by this subsection because of  
12          the existence of such withholding and the obli-  
13          gations or additional obligations which it im-  
14          poses upon the employer; or

15          “(ii) fails to withhold support from wages  
16          or to pay such amounts to the State disburse-  
17          ment unit in accordance with this subsection.”.

18          (F) Section 466(b) (42 U.S.C. 666(b)) is  
19          amended by adding at the end the following  
20          new paragraph:

21          “(11) Procedures under which the agency ad-  
22          ministering the State plan approved under this part  
23          may execute a withholding order without advance  
24          notice to the obligor, including issuing the withhold-  
25          ing order through electronic means.”.

1 (b) CONFORMING AMENDMENT.—Section 466(c) (42  
2 U.S.C. 666(c)) is repealed.

3 **SEC. 315. LOCATOR INFORMATION FROM INTERSTATE NET-**  
4 **WORKS.**

5 Section 466(a) (42 U.S.C. 666(a)) is amended by  
6 adding at the end the following new paragraph:

7 “(12) LOCATOR INFORMATION FROM INTER-  
8 STATE NETWORKS.—Procedures to ensure that all  
9 Federal and State agencies conducting activities  
10 under this part have access to any system used by  
11 the State to locate an individual for purposes relat-  
12 ing to motor vehicles or law enforcement.”.

13 **SEC. 316. EXPANSION OF THE FEDERAL PARENT LOCATOR**  
14 **SERVICE.**

15 (a) EXPANDED AUTHORITY TO LOCATE INDIVID-  
16 UALS AND ASSETS.—Section 453 (42 U.S.C. 653) is  
17 amended—

18 (1) in subsection (a), by striking all that follows  
19 “subsection (c))” and inserting “, for the purpose of  
20 establishing parentage, establishing, setting the  
21 amount of, modifying, or enforcing child support ob-  
22 ligations, or enforcing child custody or visitation or-  
23 ders—

24 “(1) information on, or facilitating the discov-  
25 ery of, the location of any individual—



1           “(A) who is under an obligation to pay  
2           child support or provide child custody or visita-  
3           tion rights;

4           “(B) against whom such an obligation is  
5           sought;

6           “(C) to whom such an obligation is owed,  
7           including the individual’s social security number (or  
8           numbers), most recent address, and the name, ad-  
9           dress, and employer identification number of the in-  
10          dividual’s employer;

11          “(2) information on the individual’s wages (or  
12          other income) from, and benefits of, employment (in-  
13          cluding rights to or enrollment in group health care  
14          coverage); and

15          “(3) information on the type, status, location,  
16          and amount of any assets of, or debts owed by or  
17          to, any such individual.”; and

18          (2) in subsection (b)—

19                (A) in the matter preceding paragraph (1),  
20                by striking “social security” and all that follows  
21                through “absent parent” and inserting “infor-  
22                mation described in subsection (a)”;

23                (B) in the flush paragraph at the end, by  
24                adding the following: “No information shall be  
25                disclosed to any person if the State has notified

1 the Secretary that the State has reasonable evi-  
2 dence of domestic violence or child abuse and  
3 the disclosure of such information could be  
4 harmful to the custodial parent or the child of  
5 such parent. Information received or transmit-  
6 ted pursuant to this section shall be subject to  
7 the safeguard provisions contained in section  
8 454(26).”.

9 (b) AUTHORIZED PERSON FOR INFORMATION RE-  
10 GARDING VISITATION RIGHTS.—Section 453(c) (42  
11 U.S.C. 653(c)) is amended—

12 (1) in paragraph (1), by striking “support” and  
13 inserting “support or to seek to enforce orders pro-  
14 viding child custody or visitation rights”; and

15 (2) in paragraph (2), by striking “, or any  
16 agent of such court; and” and inserting “or to issue  
17 an order against a resident parent for child custody  
18 or visitation rights, or any agent of such court;”.

19 (c) REIMBURSEMENT FOR INFORMATION FROM FED-  
20 ERAL AGENCIES.—Section 453(e)(2) (42 U.S.C.  
21 653(e)(2)) is amended in the 4th sentence by inserting  
22 “in an amount which the Secretary determines to be rea-  
23 sonable payment for the information exchange (which  
24 amount shall not include payment for the costs of obtain-

1 ing, compiling, or maintaining the information)” before  
 2 the period.

3 (d) REIMBURSEMENT FOR REPORTS BY STATE  
 4 AGENCIES.—Section 453 (42 U.S.C. 653) is amended by  
 5 adding at the end the following new subsection:

6 “(g) REIMBURSEMENT FOR REPORTS BY STATE  
 7 AGENCIES.—The Secretary may reimburse Federal and  
 8 State agencies for the costs incurred by such entities in  
 9 furnishing information requested by the Secretary under  
 10 this section in an amount which the Secretary determines  
 11 to be reasonable payment for the information exchange  
 12 (which amount shall not include payment for the costs of  
 13 obtaining, compiling, or maintaining the information).”.

14 (e) CONFORMING AMENDMENTS.—

15 (1) Sections 452(a)(9), 453(a), 453(b), 463(a),  
 16 463(e), and 463(f) (42 U.S.C. 652(a)(9), 653(a),  
 17 653(b), 663(a), 663(e), and 663(f)) are each amend-  
 18 ed by inserting “Federal” before “Parent” each  
 19 place such term appears.

20 (2) Section 453 (42 U.S.C. 653) is amended in  
 21 the heading by adding “FEDERAL” before “PAR-  
 22 ENT”.

23 (f) NEW COMPONENTS.—Section 453 (42 U.S.C.  
 24 653), as amended by subsection (d) of this section, is

1 amended by adding at the end the following new sub-  
2 sections:

3 “(h) FEDERAL CASE REGISTRY OF CHILD SUPPORT  
4 ORDERS.—

5 “(1) IN GENERAL.—Not later than October 1,  
6 1998, in order to assist States in administering pro-  
7 grams under State plans approved under this part  
8 and programs funded under part A, and for the  
9 other purposes specified in this section, the Sec-  
10 retary shall establish and maintain in the Federal  
11 Parent Locator Service an automated registry  
12 (which shall be known as the ‘Federal Case Registry  
13 of Child Support Orders’), which shall contain ab-  
14 stracts of support orders and other information de-  
15 scribed in paragraph (2) with respect to each case  
16 in each State case registry maintained pursuant to  
17 section 454A(e), as furnished (and regularly up-  
18 dated), pursuant to section 454A(f), by State agen-  
19 cies administering programs under this part.

20 “(2) CASE INFORMATION.—The information re-  
21 ferred to in paragraph (1) with respect to a case  
22 shall be such information as the Secretary may  
23 specify in regulations (including the names, social  
24 security numbers or other uniform identification  
25 numbers, and State case identification numbers) to

1 identify the individuals who owe or are owed support  
2 (or with respect to or on behalf of whom support ob-  
3 ligations are sought to be established), and the State  
4 or States which have the case.

5 “(i) NATIONAL DIRECTORY OF NEW HIRES.—

6 “(1) IN GENERAL.—In order to assist States in  
7 administering programs under State plans approved  
8 under this part and programs funded under part A,  
9 and for the other purposes specified in this section,  
10 the Secretary shall, not later than October 1, 1997,  
11 establish and maintain in the Federal Parent Loca-  
12 tor Service an automated directory to be known as  
13 the National Directory of New Hires, which shall  
14 contain the information supplied pursuant to section  
15 453A(g)(2).

16 “(2) ENTRY OF DATA.—Information shall be  
17 entered into the data base maintained by the Na-  
18 tional Directory of New Hires within 2 business  
19 days of receipt pursuant to section 453A(g)(2).

20 “(3) ADMINISTRATION OF FEDERAL TAX  
21 LAWS.—The Secretary of the Treasury shall have  
22 access to the information in the National Directory  
23 of New Hires for purposes of administering section  
24 32 of the Internal Revenue Code of 1986, or the ad-  
25 vance payment of the earned income tax credit

1 under section 3507 of such Code, and verifying a  
2 claim with respect to employment in a tax return.

3 “(4) LIST OF MULTISTATE EMPLOYERS.—The  
4 Secretary shall maintain within the National Direc-  
5 tory of New Hires a list of multistate employers that  
6 report information regarding newly hired employees  
7 pursuant to section 453A(b)(1)(B), and the State  
8 which each such employer has designated to receive  
9 such information.

10 “(j) INFORMATION COMPARISONS AND OTHER DIS-  
11 CLOSURES.—

12 “(1) VERIFICATION BY SOCIAL SECURITY AD-  
13 MINISTRATION.—

14 “(A) IN GENERAL.—The Secretary shall  
15 transmit information on individuals and em-  
16 ployers maintained under this section to the So-  
17 cial Security Administration to the extent nec-  
18 essary for verification in accordance with sub-  
19 paragraph (B).

20 “(B) VERIFICATION BY SSA.—The Social  
21 Security Administration shall verify the accu-  
22 racy of, correct, or supply to the extent pos-  
23 sible, and report to the Secretary, the following  
24 information supplied by the Secretary pursuant  
25 to subparagraph (A):

1                   “(i) The name, social security num-  
2                   ber, and birth date of each such individual.

3                   “(ii) The employer identification num-  
4                   ber of each such employer.

5                   “(2) INFORMATION COMPARISONS.—For the  
6                   purpose of locating individuals in a paternity estab-  
7                   lishment case or a case involving the establishment,  
8                   modification, or enforcement of a support order, the  
9                   Secretary shall—

10                  “(A) compare information in the National  
11                  Directory of New Hires against information in  
12                  the support case abstracts in the Federal Case  
13                  Registry of Child Support Orders not less often  
14                  than every 2 business days; and

15                  “(B) within 2 business days after such a  
16                  comparison reveals a match with respect to an  
17                  individual, report the information to the State  
18                  agency responsible for the case.

19                  “(3) INFORMATION COMPARISONS AND DISCLO-  
20                  SURES OF INFORMATION IN ALL REGISTRIES FOR  
21                  TITLE IV PROGRAM PURPOSES.—To the extent and  
22                  with the frequency that the Secretary determines to  
23                  be effective in assisting States to carry out their re-  
24                  sponsibilities under programs operated under this

1 part and programs funded under part A, the Sec-  
2 retary shall—

3 “(A) compare the information in each com-  
4 ponent of the Federal Parent Locator Service  
5 maintained under this section against the infor-  
6 mation in each other such component (other  
7 than the comparison required by paragraph  
8 (2)), and report instances in which such a com-  
9 parison reveals a match with respect to an indi-  
10 vidual to State agencies operating such pro-  
11 grams; and

12 “(B) disclose information in such registries  
13 to such State agencies.

14 “(4) PROVISION OF NEW HIRE INFORMATION  
15 TO THE SOCIAL SECURITY ADMINISTRATION.—The  
16 National Directory of New Hires shall provide the  
17 Commissioner of Social Security with all information  
18 in the National Directory, which shall be used to de-  
19 termine the accuracy of payments under the supple-  
20 mental security income program under title XVI and  
21 in connection with benefits under title II.

22 “(5) RESEARCH.—The Secretary may provide  
23 access to information reported by employers pursu-  
24 ant to section 453A(b) for research purposes found  
25 by the Secretary to be likely to contribute to achiev-



1       ing the purposes of part A or this part, but without  
2       personal identifiers.

3       “(k) FEES.—

4               “(1) FOR SSA VERIFICATION.—The Secretary  
5       shall reimburse the Commissioner of Social Security,  
6       at a rate negotiated between the Secretary and the  
7       Commissioner, for the costs incurred by the Com-  
8       missioner in performing the verification services de-  
9       scribed in subsection (j).

10              “(2) FOR INFORMATION FROM STATE DIREC-  
11       TORIES OF NEW HIRES.—The Secretary shall reim-  
12       burse costs incurred by State directories of new  
13       hires in furnishing information as required by sub-  
14       section (j)(3), at rates which the Secretary deter-  
15       mines to be reasonable (which rates shall not include  
16       payment for the costs of obtaining, compiling, or  
17       maintaining such information).

18              “(3) FOR INFORMATION FURNISHED TO STATE  
19       AND FEDERAL AGENCIES.—A State or Federal agen-  
20       cy that receives information from the Secretary pur-  
21       suant to this section shall reimburse the Secretary  
22       for costs incurred by the Secretary in furnishing the  
23       information, at rates which the Secretary determines  
24       to be reasonable (which rates shall include payment

1       for the costs of obtaining, verifying, maintaining,  
2       and comparing the information).

3       “(l) RESTRICTION ON DISCLOSURE AND USE.—In-  
4       formation in the Federal Parent Locator Service, and in-  
5       formation resulting from comparisons using such informa-  
6       tion, shall not be used or disclosed except as expressly pro-  
7       vided in this section, subject to section 6103 of the Inter-  
8       nal Revenue Code of 1986.

9       “(m) INFORMATION INTEGRITY AND SECURITY.—  
10      The Secretary shall establish and implement safeguards  
11      with respect to the entities established under this section  
12      designed to—

13               “(1) ensure the accuracy and completeness of  
14      information in the Federal Parent Locator Service;  
15      and

16               “(2) restrict access to confidential information  
17      in the Federal Parent Locator Service to authorized  
18      persons, and restrict use of such information to au-  
19      thorized purposes.

20      “(n) FEDERAL GOVERNMENT REPORTING.—Each  
21      department, agency, and instrumentality of the United  
22      States shall on a quarterly basis report to the Federal  
23      Parent Locator Service the name and social security num-  
24      ber of each employee and the wages paid to the employee  
25      during the previous quarter, except that such a report

1 shall not be filed with respect to an employee of a depart-  
 2 ment, agency, or instrumentality performing intelligence  
 3 or counterintelligence functions, if the head of such de-  
 4 partment, agency, or instrumentality has determined that  
 5 filing such a report could endanger the safety of the em-  
 6 ployee or compromise an ongoing investigation or intel-  
 7 ligence mission.”.

8 (g) CONFORMING AMENDMENTS.—

9 (1) TO PART D OF TITLE IV OF THE SOCIAL SE-  
 10 CURITY ACT.—

11 (A) Section 454(8)(B) (42 U.S.C.  
 12 654(8)(B)) is amended to read as follows:

13 “(B) the Federal Parent Locator Service  
 14 established under section 453;”.

15 (B) Section 454(13) (42 U.S.C.654(13)) is  
 16 amended by inserting “and provide that infor-  
 17 mation requests by parents who are residents of  
 18 other States be treated with the same priority  
 19 as requests by parents who are residents of the  
 20 State submitting the plan” before the semi-  
 21 colon.

22 (2) TO FEDERAL UNEMPLOYMENT TAX ACT.—  
 23 Section 3304(a)(16) of the Internal Revenue Code of  
 24 1986 is amended—

1 (A) by striking “Secretary of Health, Edu-  
 2 cation, and Welfare” each place such term ap-  
 3 pears and inserting “Secretary of Health and  
 4 Human Services”;

5 (B) in subparagraph (B), by striking  
 6 “such information” and all that follows and in-  
 7 serting “information furnished under subpara-  
 8 graph (A) or (B) is used only for the purposes  
 9 authorized under such subparagraph;”;

10 (C) by striking “and” at the end of sub-  
 11 paragraph (A);

12 (D) by redesignating subparagraph (B) as  
 13 subparagraph (C); and

14 (E) by inserting after subparagraph (A)  
 15 the following new subparagraph:

16 “(B) wage and unemployment compensa-  
 17 tion information contained in the records of  
 18 such agency shall be furnished to the Secretary  
 19 of Health and Human Services (in accordance  
 20 with regulations promulgated by such Sec-  
 21 retary) as necessary for the purposes of the Na-  
 22 tional Directory of New Hires established under  
 23 section 453(i) of the Social Security Act, and”.

24 (3) TO STATE GRANT PROGRAM UNDER TITLE  
 25 III OF THE SOCIAL SECURITY ACT.—Subsection (h)

1 of section 303 (42 U.S.C. 503) is amended to read  
2 as follows:

3 “(h)(1) The State agency charged with the adminis-  
4 tration of the State law shall, on a reimbursable basis—

5 “(A) disclose quarterly, to the Secretary of  
6 Health and Human Services, wage and claim infor-  
7 mation, as required pursuant to section 453(i)(1),  
8 contained in the records of such agency;

9 “(B) ensure that information provided pursuant  
10 to subparagraph (A) meets such standards relating  
11 to correctness and verification as the Secretary of  
12 Health and Human Services, with the concurrence  
13 of the Secretary of Labor, may find necessary; and

14 “(C) establish such safeguards as the Secretary  
15 of Labor determines are necessary to insure that in-  
16 formation disclosed under subparagraph (A) is used  
17 only for purposes of section 453(i)(1) in carrying out  
18 the child support enforcement program under title  
19 IV.

20 “(2) Whenever the Secretary of Labor, after reason-  
21 able notice and opportunity for hearing to the State agen-  
22 cy charged with the administration of the State law, finds  
23 that there is a failure to comply substantially with the re-  
24 quirements of paragraph (1), the Secretary of Labor shall  
25 notify such State agency that further payments will not

1 be made to the State until the Secretary of Labor is satis-  
 2 fied that there is no longer any such failure. Until the  
 3 Secretary of Labor is so satisfied, the Secretary shall  
 4 make no future certification to the Secretary of the Treas-  
 5 ury with respect to the State.

6 “(3) For purposes of this subsection—

7 “(A) the term ‘wage information’ means infor-  
 8 mation regarding wages paid to an individual, the  
 9 social security account number of such individual,  
 10 and the name, address, State, and the Federal em-  
 11 ployer identification number of the employer paying  
 12 such wages to such individual; and

13 “(B) the term ‘claim information’ means infor-  
 14 mation regarding whether an individual is receiving,  
 15 has received, or has made application for, unemploy-  
 16 ment compensation, the amount of any such com-  
 17 pensation being received (or to be received by such  
 18 individual), and the individual’s current (or most re-  
 19 cent) home address.”.

20 (4) DISCLOSURE OF CERTAIN INFORMATION TO  
 21 AGENTS OF CHILD SUPPORT ENFORCEMENT AGEN-  
 22 CIES.—

23 (A) IN GENERAL.—Paragraph (6) of sec-  
 24 tion 6103(l) of the Internal Revenue Code of  
 25 1986 (relating to disclosure of return informa-

tion to Federal, State, and local child support enforcement agencies) is amended by redesignating subparagraph (B) as subparagraph (C) and by inserting after subparagraph (A) the following new subparagraph:

“(B) DISCLOSURE TO CERTAIN AGENTS.—

The following information disclosed to any child support enforcement agency under subparagraph (A) with respect to any individual with respect to whom child support obligations are sought to be established or enforced may be disclosed by such agency to any agent of such agency which is under contract with such agency to carry out the purposes described in subparagraph (C):

“(i) The address and social security account number (or numbers) of such individual.

“(ii) The amount of any reduction under section 6402(c) (relating to offset of past-due support against overpayments) in any overpayment otherwise payable to such individual.”

(B) CONFORMING AMENDMENTS.—

1 (i) Paragraph (3) of section 6103(a)  
 2 of such Code is amended by striking  
 3 “(l)(12)” and inserting “paragraph (6) or  
 4 (12) of subsection (l)”.

5 (ii) Subparagraph (C) of section  
 6 6103(l)(6) of such Code, as redesignated  
 7 by subsection (a), is amended to read as  
 8 follows:

9 “(C) RESTRICTION ON DISCLOSURE.—In-  
 10 formation may be disclosed under this para-  
 11 graph only for purposes of, and to the extent  
 12 necessary in, establishing and collecting child  
 13 support obligations from, and locating, individ-  
 14 uals owing such obligations.”

15 (iii) The material following subpara-  
 16 graph (F) of section 6103(p)(4) of such  
 17 Code is amended by striking “subsection  
 18 (l)(12)(B)” and inserting “paragraph  
 19 (6)(A) or (12)(B) of subsection (l)”.

20 (h) REQUIREMENT FOR COOPERATION.—The Sec-  
 21 retary of Labor and the Secretary of Health and Human  
 22 Services shall work jointly to develop cost-effective and ef-  
 23 ficient methods of accessing the information in the various  
 24 State directories of new hires and the National Directory  
 25 of New Hires as established pursuant to the amendments



1 made by this subtitle. In developing these methods the  
2 Secretaries shall take into account the impact, including  
3 costs, on the States, and shall also consider the need to  
4 insure the proper and authorized use of wage record infor-  
5 mation.

6 **SEC. 317. COLLECTION AND USE OF SOCIAL SECURITY**  
7 **NUMBERS FOR USE IN CHILD SUPPORT EN-**  
8 **FORCEMENT.**

9 (a) STATE LAW REQUIREMENT.—Section 466(a) (42  
10 U.S.C. 666(a)), as amended by section 315 of this Act,  
11 is amended by adding at the end the following new para-  
12 graph:

13 “(13) RECORDING OF SOCIAL SECURITY NUM-  
14 BERS IN CERTAIN FAMILY MATTERS.—Procedures  
15 requiring that the social security number of—

16 “(A) any applicant for a professional li-  
17 cense, commercial driver’s license, occupational  
18 license, or marriage license be recorded on the  
19 application;

20 “(B) any individual who is subject to a di-  
21 vorce decree, support order, or paternity deter-  
22 mination or acknowledgment be placed in the  
23 records relating to the matter; and

1           “(C) any individual who has died be placed  
2           in the records relating to the death and be re-  
3           corded on the death certificate.

4           For purposes of subparagraph (A), if a State allows  
5           the use of a number other than the social security  
6           number, the State shall so advise any applicants.”.

7           (b)       CONFORMING       AMENDMENTS.—Section  
8   205(c)(2)(C) (42 U.S.C. 405(c)(2)(C)), as amended by  
9   section 321(a)(9) of the Social Security Independence and  
10 Program Improvements Act of 1994, is amended—

11           (1) in clause (i), by striking “may require” and  
12           inserting “shall require”;

13           (2) in clause (ii), by inserting after the 1st sen-  
14           tence the following: “In the administration of any  
15           law involving the issuance of a marriage certificate  
16           or license, each State shall require each party named  
17           in the certificate or license to furnish to the State  
18           (or political subdivision thereof), or any State agen-  
19           cy having administrative responsibility for the law  
20           involved, the social security number of the party.”;

21           (3) in clause (ii), by inserting “or marriage cer-  
22           tificate” after “Such numbers shall not be recorded  
23           on the birth certificate”.

24           (4) in clause (vi), by striking “may” and insert-  
25           ing “shall”; and

1           (5) by adding at the end the following new  
2       clauses:

3                   “(x) An agency of a State (or a politi-  
4                   cal subdivision thereof) charged with the  
5                   administration of any law concerning the  
6                   issuance or renewal of a license, certificate,  
7                   permit, or other authorization to engage in  
8                   a profession, an occupation, or a commer-  
9                   cial activity shall require all applicants for  
10                  issuance or renewal of the license, certifi-  
11                  cate, permit, or other authorization to pro-  
12                  vide the applicant’s social security number  
13                  to the agency for the purpose of admin-  
14                  istering such laws, and for the purpose of  
15                  responding to requests for information  
16                  from an agency operating pursuant to part  
17                  D of title IV.

18                  “(xi) All divorce decrees, support or-  
19                  ders, and paternity determinations issued,  
20                  and all paternity acknowledgments made,  
21                  in each State shall include the social secu-  
22                  rity number of each party to the decree,  
23                  order, determination, or acknowledgment  
24                  in the records relating to the matter, for  
25                  the purpose of responding to requests for

1 information from an agency operating pur-  
 2 suant to part D of title IV.”.

## 3 **Subtitle C—Streamlining and** 4 **Uniformity of Procedures**

### 5 **SEC. 321. ADOPTION OF UNIFORM STATE LAWS.**

6 Section 466 (42 U.S.C. 666) is amended by adding  
 7 at the end the following new subsection:

8 “(f) UNIFORM INTERSTATE FAMILY SUPPORT  
 9 ACT.—

10 “(1) ENACTMENT AND USE.—In order to sat-  
 11 isfy section 454(20)(A), on and after January 1,  
 12 1998, each State must have in effect the Uniform  
 13 Interstate Family Support Act, as approved by the  
 14 American Bar Association on February 9, 1993, to-  
 15 gether with any amendments officially adopted be-  
 16 fore January 1, 1998 by the National Conference of  
 17 Commissioners on Uniform State Laws.

18 “(2) EMPLOYERS TO FOLLOW PROCEDURAL  
 19 RULES OF STATE WHERE EMPLOYEE WORKS.—The  
 20 State law enacted pursuant to paragraph (1) shall  
 21 provide that an employer that receives an income  
 22 withholding order or notice pursuant to section 501  
 23 of the Uniform Interstate Family Support Act follow  
 24 the procedural rules that apply with respect to such

1       order or notice under the laws of the State in which  
2       the obligor works.

3   **SEC. 322. IMPROVEMENTS TO FULL FAITH AND CREDIT**  
4       **FOR CHILD SUPPORT ORDERS.**

5       Section 1738B of title 28, United States Code, is  
6   amended—

7           (1) in subsection (a)(2), by striking “subsection  
8       (e)” and inserting “subsections (e), (f), and (i)”;

9           (2) in subsection (b), by inserting after the 2nd  
10   undesignated paragraph the following:

11           “‘child’s home State’ means the State in which  
12       a child lived with a parent or a person acting as par-  
13       ent for at least 6 consecutive months immediately  
14       preceding the time of filing of a petition or com-  
15       parable pleading for support and, if a child is less  
16       than 6 months old, the State in which the child lived  
17       from birth with any of them. A period of temporary  
18       absence of any of them is counted as part of the 6-  
19       month period.”;

20           (3) in subsection (c), by inserting “by a court  
21       of a State” before “is made”;

22           (4) in subsection (c)(1), by inserting “and sub-  
23       sections (e), (f), and (g)” after “located”;

24           (5) in subsection (d)—

1 (A) by inserting “individual” before “con-  
 2 testant”; and

3 (B) by striking “subsection (e)” and in-  
 4 serting “subsections (e) and (f)”;

5 (6) in subsection (e), by striking “make a modi-  
 6 fication of a child support order with respect to a  
 7 child that is made” and inserting “modify a child  
 8 support order issued”;

9 (7) in subsection (e)(1), by inserting “pursuant  
 10 to subsection (i)” before the semicolon;

11 (8) in subsection (e)(2)—

12 (A) by inserting “individual” before “con-  
 13 testant” each place such term appears; and

14 (B) by striking “to that court’s making the  
 15 modification and assuming” and inserting “with  
 16 the State of continuing, exclusive jurisdiction  
 17 for a court of another State to modify the order  
 18 and assume”;

19 (9) by redesignating subsections (f) and (g) as  
 20 subsections (g) and (h), respectively;

21 (10) by inserting after subsection (e) the follow-  
 22 ing new subsection:

23 “(f) RECOGNITION OF CHILD SUPPORT ORDERS.—

24 If 1 or more child support orders have been issued with  
 25 regard to an obligor and a child, a court shall apply the

1 following rules in determining which order to recognize for  
2 purposes of continuing, exclusive jurisdiction and enforce-  
3 ment:

4           “(1) If only 1 court has issued a child support  
5 order, the order of that court must be recognized.

6           “(2) If 2 or more courts have issued child sup-  
7 port orders for the same obligor and child, and only  
8 1 of the courts would have continuing, exclusive ju-  
9 risdiction under this section, the order of that court  
10 must be recognized.

11           “(3) If 2 or more courts have issued child sup-  
12 port orders for the same obligor and child, and more  
13 than 1 of the courts would have continuing, exclusive  
14 jurisdiction under this section, an order issued by a  
15 court in the current home State of the child must  
16 be recognized, but if an order has not been issued  
17 in the current home State of the child, the order  
18 most recently issued must be recognized.

19           “(4) If 2 or more courts have issued child sup-  
20 port orders for the same obligor and child, and none  
21 of the courts would have continuing, exclusive juris-  
22 diction under this section, a court may issue a child  
23 support order, which must be recognized.

1           “(5) The court that has issued an order recog-  
2           nized under this subsection is the court having con-  
3           tinuing, exclusive jurisdiction.”;

4           (11) in subsection (g) (as so redesignated)—

5                 (A) by striking “PRIOR” and inserting  
6                 “MODIFIED”; and

7                 (B) by striking “subsection (e)” and in-  
8                 serting “subsections (e) and (f)”;

9           (12) in subsection (h) (as so redesignated)—

10                 (A) in paragraph (2), by inserting “includ-  
11                 ing the duration of current payments and other  
12                 obligations of support” before the comma; and

13                 (B) in paragraph (3), by inserting “arrear-  
14                 under” after “enforce”; and

15           (13) by adding at the end the following new  
16           subsection:

17           “(i) REGISTRATION FOR MODIFICATION.—If there is  
18           no individual contestant or child residing in the issuing  
19           State, the party or support enforcement agency seeking  
20           to modify, or to modify and enforce, a child support order  
21           issued in another State shall register that order in a State  
22           with jurisdiction over the nonmovant for the purpose of  
23           modification.”.



1 **SEC. 323. ADMINISTRATIVE ENFORCEMENT IN INTERSTATE**  
2 **CASES.**

3 Section 466(a) (42 U.S.C. 666(a)), as amended by  
4 sections 315 and 317(a) of this Act, is amended by adding  
5 at the end the following new paragraph:

6 “(14) ADMINISTRATIVE ENFORCEMENT IN  
7 INTERSTATE CASES.—Procedures under which—

8 “(A)(i) the State shall respond within 5  
9 business days to a request made by another  
10 State to enforce a support order; and

11 “(ii) the term ‘business day’ means a day  
12 on which State offices are open for regular  
13 business;

14 “(B) the State may, by electronic or other  
15 means, transmit to another State a request for  
16 assistance in a case involving the enforcement  
17 of a support order, which request—

18 “(i) shall include such information as  
19 will enable the State to which the request  
20 is transmitted to compare the information  
21 about the case to the information in the  
22 data bases of the State; and

23 “(ii) shall constitute a certification by  
24 the requesting State—

1 “(I) of the amount of support  
2 under the order the payment of which  
3 is in arrears; and

4 “(II) that the requesting State  
5 has complied with all procedural due  
6 process requirements applicable to the  
7 case;

8 “(C) if the State provides assistance to an-  
9 other State pursuant to this paragraph with re-  
10 spect to a case, neither State shall consider the  
11 case to be transferred to the caseload of such  
12 other State; and

13 “(D) the State shall maintain records of—

14 “(i) the number of such requests for  
15 assistance received by the State;

16 “(ii) the number of cases for which  
17 the State collected support in response to  
18 such a request; and

19 “(iii) the amount of such collected  
20 support.”.

21 **SEC. 324. USE OF FORMS IN INTERSTATE ENFORCEMENT.**

22 (a) PROMULGATION.—Section 452(a) (42 U.S.C.  
23 652(a)) is amended—

24 (1) by striking “and” at the end of paragraph  
25 (9);

1           (2) by striking the period at the end of para-  
2           graph (10) and inserting “; and”; and

3           (3) by adding at the end the following new  
4           paragraph:

5           “(11) not later than October 1, 1996, after con-  
6           sulting with the State directors of programs under  
7           this part, promulgate forms to be used by States in  
8           interstate cases for—

9                   “(A) collection of child support through in-  
10                  come withholding;

11                   “(B) imposition of liens; and

12                   “(C) administrative subpoenas.”.

13       (b) USE BY STATES.—Section 454(9) (42 U.S.C.  
14 654(9)) is amended—

15           (1) by striking “and” at the end of subpara-  
16           graph (C);

17           (2) by inserting “and” at the end of subpara-  
18           graph (D); and

19           (3) by adding at the end the following new sub-  
20           paragraph:

21                   “(E) not later than March 1, 1997, in  
22                  using the forms promulgated pursuant to sec-  
23                  tion 452(a)(11) for income withholding, imposi-  
24                  tion of liens, and issuance of administrative  
25                  subpoenas in interstate child support cases;”.

1 **SEC. 325. STATE LAWS PROVIDING EXPEDITED PROCE-**  
2 **DURES.**

3 (a) STATE LAW REQUIREMENTS.—Section 466 (42  
4 U.S.C. 666), as amended by section 314 of this Act, is  
5 amended—

6 (1) in subsection (a)(2), by striking the first  
7 sentence and inserting the following: “Expedited ad-  
8 ministrative and judicial procedures (including the  
9 procedures specified in subsection (c)) for establish-  
10 ing paternity and for establishing, modifying, and  
11 enforcing support obligations.”; and

12 (2) by inserting after subsection (b) the follow-  
13 ing new subsection:

14 “(c) EXPEDITED PROCEDURES.—The procedures  
15 specified in this subsection are the following:

16 “(1) ADMINISTRATIVE ACTION BY STATE AGEN-  
17 CY.—Procedures which give the State agency the au-  
18 thority to take the following actions relating to es-  
19 tablishment of paternity or to establishment, modi-  
20 fication, or enforcement of support orders, without  
21 the necessity of obtaining an order from any other  
22 judicial or administrative tribunal, and to recognize  
23 and enforce the authority of State agencies of other  
24 States) to take the following actions:

1           “(A) GENETIC TESTING.—To order genetic  
2           testing for the purpose of paternity establish-  
3           ment as provided in section 466(a)(5).

4           “(B) FINANCIAL OR OTHER INFORMA-  
5           TION.—To subpoena any financial or other in-  
6           formation needed to establish, modify, or en-  
7           force a support order, and to impose penalties  
8           for failure to respond to such a subpoena.

9           “(C) RESPONSE TO STATE AGENCY RE-  
10          QUEST.—To require all entities in the State (in-  
11          cluding for-profit, nonprofit, and governmental  
12          employers) to provide promptly, in response to  
13          a request by the State agency of that or any  
14          other State administering a program under this  
15          part, information on the employment, com-  
16          pensation, and benefits of any individual em-  
17          ployed by such entity as an employee or con-  
18          tractor, and to sanction failure to respond to  
19          any such request.

20          “(D) ACCESS TO CERTAIN RECORDS.—To  
21          obtain access, subject to safeguards on privacy  
22          and information security, to the following  
23          records (including automated access, in the case  
24          of records maintained in automated data  
25          bases):

1 “(i) Records of other State and local  
2 government agencies, including—

3 “(I) vital statistics (including  
4 records of marriage, birth, and di-  
5 vorce);

6 “(II) State and local tax and rev-  
7 enue records (including information  
8 on residence address, employer, in-  
9 come and assets);

10 “(III) records concerning real  
11 and titled personal property;

12 “(IV) records of occupational and  
13 professional licenses, and records con-  
14 cerning the ownership and control of  
15 corporations, partnerships, and other  
16 business entities;

17 “(V) employment security  
18 records;

19 “(VI) records of agencies admin-  
20 istering public assistance programs;

21 “(VII) records of the motor vehi-  
22 cle department; and

23 “(VIII) corrections records.

24 “(ii) Certain records held by private  
25 entities with respect to individuals who owe

1 or are owed support (or against or with re-  
2 spect to whom a support obligation is  
3 sought), consisting of—

4 “(I) the names and addresses of  
5 such individuals and the names and  
6 addresses of the employers of such in-  
7 dividuals, as appearing in customer  
8 records of public utilities and cable  
9 television companies; and

10 “(II) information (including in-  
11 formation on assets and liabilities) on  
12 such individuals held by financial in-  
13 stitutions,

14 subject to the nonliability of such entities  
15 arising from affording such access under  
16 this subparagraph.

17 “(E) CHANGE IN PAYEE.—In cases in  
18 which support is subject to an assignment in  
19 order to comply with a requirement imposed  
20 pursuant to part A or section 1912, or to a re-  
21 quirement to pay through the State disburse-  
22 ment unit established pursuant to section  
23 454B, upon providing notice to obligor and obli-  
24 gee, to direct the obligor or other payor to

1 change the payee to the appropriate government  
2 entity.

3 “(F) INCOME WITHHOLDING.—To order  
4 income withholding in accordance with sub-  
5 sections (a)(1) and (b) of section 466.

6 “(G) SECURING ASSETS.—In cases in  
7 which there is a support arrearage, to secure  
8 assets to satisfy the arrearage by—

9 “(i) intercepting or seizing periodic or  
10 lump-sum payments from—

11 “(I) a State or local agency, in-  
12 cluding unemployment compensation,  
13 workers’ compensation, and other ben-  
14 efits; and

15 “(II) judgments, settlements, and  
16 lotteries;

17 “(ii) attaching and seizing assets of  
18 the obligor held in financial institutions;

19 “(iii) attaching public and private re-  
20 tirement funds; and

21 “(iv) imposing liens in accordance  
22 with subsection (a)(4) and, in appropriate  
23 cases, to force sale of property and dis-  
24 tribution of proceeds.



1                   “(H) INCREASE MONTHLY PAYMENTS.—

2                   For the purpose of securing overdue support, to  
 3                   increase the amount of monthly support pay-  
 4                   ments to include amounts for arrearages, sub-  
 5                   ject to such conditions or limitations as the  
 6                   State may provide.

7                   Such procedures shall be subject to due process safe-  
 8                   guards, including (as appropriate) requirements for  
 9                   notice, opportunity to contest the action, and oppor-  
 10                  tunity for an appeal on the record to an independent  
 11                  administrative or judicial tribunal.

12                  “(2) SUBSTANTIVE AND PROCEDURAL RULES.—

13                  The expedited procedures required under subsection  
 14                  (a)(2) shall include the following rules and author-  
 15                  ity, applicable with respect to all proceedings to es-  
 16                  tablish paternity or to establish, modify, or enforce  
 17                  support orders:

18                         “(A) LOCATOR INFORMATION; PRESUMP-  
 19                         TIONS       CONCERNING       NOTICE.—Procedures  
 20                         under which—

21                                 “(i) each party to any paternity or  
 22                                 child support proceeding is required (sub-  
 23                                 ject to privacy safeguards) to file with the  
 24                                 tribunal and the State case registry upon  
 25                                 entry of an order, and to update as appro-

1           priate, information on location and identity  
2           of the party, including social security num-  
3           ber, residential and mailing addresses, tele-  
4           phone number, driver's license number,  
5           and name, address, and telephone number  
6           of employer; and

7           “(ii) in any subsequent child support  
8           enforcement action between the parties,  
9           upon sufficient showing that diligent effort  
10          has been made to ascertain the location of  
11          such a party, the tribunal may deem State  
12          due process requirements for notice and  
13          service of process to be met with respect to  
14          the party, upon delivery of written notice  
15          to the most recent residential or employer  
16          address filed with the tribunal pursuant to  
17          clause (i).

18          “(B) STATEWIDE JURISDICTION.—Proce-  
19          dures under which—

20               “(i) the State agency and any admin-  
21               istrative or judicial tribunal with authority  
22               to hear child support and paternity cases  
23               exerts statewide jurisdiction over the par-  
24               ties; and

1           “(ii) in a State in which orders are is-  
2           sued by courts or administrative tribunals,  
3           a case may be transferred between local ju-  
4           risdictions in the State without need for  
5           any additional filing by the petitioner, or  
6           service of process upon the respondent, to  
7           retain jurisdiction over the parties.

8           “(3) COORDINATION WITH ERISA.—Notwith-  
9           standing subsection (d) of section 514 of the Em-  
10          ployee Retirement Income Security Act of 1974 (re-  
11          lating to effect on other laws), nothing in this sub-  
12          section shall be construed to alter, amend, modify,  
13          invalidate, impair, or supersede subsections (a), (b),  
14          and (c) of such section 514 as it applies with respect  
15          to any procedure referred to in paragraph (1) and  
16          any expedited procedure referred to in paragraph  
17          (2), except to the extent that such procedure would  
18          be consistent with the requirements of section  
19          206(d)(3) of such Act (relating to qualified domestic  
20          relations orders) or the requirements of section  
21          609(a) of such Act (relating to qualified medical  
22          child support orders) if the reference in such section  
23          206(d)(3) to a domestic relations order and the ref-  
24          erence in such section 609(a) to a medical child sup-  
25          port order were a reference to a support order re-

1       ferred to in paragraphs (1) and (2) relating to the  
2       same matters, respectively.”.

3       (b) AUTOMATION OF STATE AGENCY FUNCTIONS.—  
4       Section 454A, as added by section 344(a)(2) and as  
5       amended by sections 311 and 312(c) of this Act, is amend-  
6       ed by adding at the end the following new subsection:

7       “(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—  
8       The automated system required by this section shall be  
9       used, to the maximum extent feasible, to implement the  
10      expedited administrative procedures required by section  
11      466(c).”.

## 12                   **Subtitle D—Paternity** 13                   **Establishment**

14      **SEC. 331. STATE LAWS CONCERNING PATERNITY ESTAB-**  
15                   **LISHMENT.**

16      (a) STATE LAWS REQUIRED.—Section 466(a)(5) (42  
17      U.S.C. 666(a)(5)) is amended to read as follows:

18                   “(5) PROCEDURES CONCERNING PATERNITY ES-  
19                   TABLISHMENT.—

20                   “(A) ESTABLISHMENT PROCESS AVAIL-  
21                   ABLE FROM BIRTH UNTIL AGE 18.—

22                   “(i) Procedures which permit the es-  
23                   tablishment of the paternity of a child at  
24                   any time before the child attains 18 years  
25                   of age.

1           “(ii) As of August 16, 1984, clause (i)  
2           shall also apply to a child for whom pater-  
3           nity has not been established or for whom  
4           a paternity action was brought but dis-  
5           missed because a statute of limitations of  
6           less than 18 years was then in effect in  
7           the State.

8           “(B) PROCEDURES CONCERNING GENETIC  
9           TESTING.—

10           “(i) GENETIC TESTING REQUIRED IN  
11           CERTAIN CONTESTED CASES.—Procedures  
12           under which the State is required, in a  
13           contested paternity case (unless otherwise  
14           barred by State law) to require the child  
15           and all other parties (other than individ-  
16           uals found under section 454(29) to have  
17           good cause and other exceptions for refus-  
18           ing to cooperate) to submit to genetic tests  
19           upon the request of any such party, if the  
20           request is supported by a sworn statement  
21           by the party—

22           “(I) alleging paternity, and set-  
23           ting forth facts establishing a reason-  
24           able possibility of the requisite sexual  
25           contact between the parties; or

1                   “(II) denying paternity, and set-  
2                   ting forth facts establishing a reason-  
3                   able possibility of the nonexistence of  
4                   sexual contact between the parties.

5                   “(ii) OTHER REQUIREMENTS.—Proce-  
6                   dures which require the State agency, in  
7                   any case in which the agency orders ge-  
8                   netic testing—

9                   “(I) to pay costs of such tests,  
10                  subject to recoupment (if the State so  
11                  elects) from the alleged father if pa-  
12                  ternity is established; and

13                  “(II) to obtain additional testing  
14                  in any case if an original test result is  
15                  contested, upon request and advance  
16                  payment by the contestant.

17                  “(C) VOLUNTARY PATERNITY ACKNOWL-  
18                  EDGMENT.—

19                  “(i) SIMPLE CIVIL PROCESS.—Proce-  
20                  dures for a simple civil process for volun-  
21                  tarily acknowledging paternity under which  
22                  the State must provide that, before a  
23                  mother and a putative father can sign an  
24                  acknowledgment of paternity, the mother  
25                  and the putative father must be given no-

1           tice, orally and in writing, of the alter-  
2           natives to, the legal consequences of, and  
3           the rights (including, if 1 parent is a  
4           minor, any rights afforded due to minority  
5           status) and responsibilities that arise from,  
6           signing the acknowledgment.

7           “(ii) HOSPITAL-BASED PROGRAM.—  
8           Such procedures must include a hospital-  
9           based program for the voluntary acknowl-  
10          edgment of paternity focusing on the pe-  
11          riod immediately before or after the birth  
12          of a child, unless good cause and other ex-  
13          ceptions exist which—

14                 “(I) shall be defined, taking into  
15                 account the best interests of the child,  
16                 and

17                 “(II) shall be applied in each  
18                 case,

19          by, at the option of the State, the State  
20          agency administering the State program  
21          under part A, this part, title XV, or title  
22          XIX.

23                 “(iii) PATERNITY ESTABLISHMENT  
24                 SERVICES.—

1                   “(I)    STATE-OFFERED    SERV-  
2                   ICES.—Such procedures must require  
3                   the State agency responsible for main-  
4                   taining birth records to offer vol-  
5                   untary paternity establishment serv-  
6                   ices.

7                   “(II) REGULATIONS.—

8                   “(aa)   SERVICES   OFFERED  
9                   BY   HOSPITALS   AND   BIRTH  
10                  RECORD   AGENCIES.—The   Sec-  
11                  retary shall prescribe regulations  
12                  governing voluntary paternity es-  
13                  tablishment services offered by  
14                  hospitals and birth record agen-  
15                  cies.

16                  “(bb)   SERVICES   OFFERED  
17                  BY   OTHER   ENTITIES.—The   Sec-  
18                  retary shall prescribe regulations  
19                  specifying the types of other enti-  
20                  ties that may offer voluntary pa-  
21                  ternity establishment services,  
22                  and governing the provision of  
23                  such services, which shall include  
24                  a requirement that such an entity  
25                  must use the same notice provi-



sions used by, use the same materials used by, provide the personnel providing such services with the same training provided by, and evaluate the provision of such services in the same manner as the provision of such services is evaluated by, voluntary paternity establishment programs of hospitals and birth record agencies.

“(iv) USE OF PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Such procedures must require the State to develop and use an affidavit for the voluntary acknowledgment of paternity which includes the minimum requirements of the affidavit specified by the Secretary under section 452(a)(7) for the voluntary acknowledgment of paternity, and to give full faith and credit to such an affidavit signed in any other State according to its procedures.

“(D) STATUS OF SIGNED PATERNITY ACKNOWLEDGMENT.—

1 “(i) INCLUSION IN BIRTH RECORDS.—  
2 Procedures under which the name of the  
3 father shall be included on the record of  
4 birth of the child of unmarried parents  
5 only if—

6 “(I) the father and mother have  
7 signed a voluntary acknowledgment of  
8 paternity; or

9 “(II) a court or an administrative  
10 agency of competent jurisdiction has  
11 issued an adjudication of paternity.

12 Nothing in this clause shall preclude a  
13 State agency from obtaining an admission  
14 of paternity from the father for submission  
15 in a judicial or administrative proceeding,  
16 or prohibit the issuance of an order in a  
17 judicial or administrative proceeding which  
18 bases a legal finding of paternity on an ad-  
19 mission of paternity by the father and any  
20 other additional showing required by State  
21 law.

22 “(ii) LEGAL FINDING OF PATER-  
23 NITY.—Procedures under which a signed  
24 voluntary acknowledgment of paternity is  
25 considered a legal finding of paternity,

1 subject to the right of any signatory to re-  
2 scind the acknowledgment within the ear-  
3 lier of—

4 “(I) 60 days; or

5 “(II) the date of an administra-  
6 tive or judicial proceeding relating to  
7 the child (including a proceeding to  
8 establish a support order) in which  
9 the signatory is a party.

10 “(iii) CONTEST.—Procedures under  
11 which, after the 60-day period referred to  
12 in clause (ii), a signed voluntary acknowl-  
13 edgment of paternity may be challenged in  
14 court only on the basis of fraud, duress, or  
15 material mistake of fact, with the burden  
16 of proof upon the challenger, and under  
17 which the legal responsibilities (including  
18 child support obligations) of any signatory  
19 arising from the acknowledgment may not  
20 be suspended during the challenge, except  
21 for good cause shown.

22 “(E) BAR ON ACKNOWLEDGMENT RATIFI-  
23 CATION PROCEEDINGS.—Procedures under  
24 which judicial or administrative proceedings are

1 not required or permitted to ratify an unchal-  
2 lenged acknowledgment of paternity.

3 “(F) ADMISSIBILITY OF GENETIC TESTING  
4 RESULTS.—Procedures—

5 “(i) requiring the admission into evi-  
6 dence, for purposes of establishing pater-  
7 nity, of the results of any genetic test that  
8 is—

9 “(I) of a type generally acknowl-  
10 edged as reliable by accreditation bod-  
11 ies designated by the Secretary; and

12 “(II) performed by a laboratory  
13 approved by such an accreditation  
14 body;

15 “(ii) requiring an objection to genetic  
16 testing results to be made in writing not  
17 later than a specified number of days be-  
18 fore any hearing at which the results may  
19 be introduced into evidence (or, at State  
20 option, not later than a specified number  
21 of days after receipt of the results); and

22 “(iii) making the test results admissi-  
23 ble as evidence of paternity without the  
24 need for foundation testimony or other

1 proof of authenticity or accuracy, unless  
2 objection is made.

3 “(G) PRESUMPTION OF PATERNITY IN  
4 CERTAIN CASES.—Procedures which create a re-  
5 buttable or, at the option of the State, conclu-  
6 sive presumption of paternity upon genetic test-  
7 ing results indicating a threshold probability  
8 that the alleged father is the father of the child.

9 “(H) DEFAULT ORDERS.—Procedures re-  
10 quiring a default order to be entered in a pater-  
11 nity case upon a showing of service of process  
12 on the defendant and any additional showing  
13 required by State law.

14 “(I) NO RIGHT TO JURY TRIAL.—Proce-  
15 dures providing that the parties to an action to  
16 establish paternity are not entitled to a trial by  
17 jury.

18 “(J) TEMPORARY SUPPORT ORDER BASED  
19 ON PROBABLE PATERNITY IN CONTESTED  
20 CASES.—Procedures which require that a tem-  
21 porary order be issued, upon motion by a party,  
22 requiring the provision of child support pending  
23 an administrative or judicial determination of  
24 parentage, if there is clear and convincing evi-

1           dence of paternity (on the basis of genetic tests  
2           or other evidence).

3           “(K) PROOF OF CERTAIN SUPPORT AND  
4           PATERNITY ESTABLISHMENT COSTS.—Proce-  
5           dures under which bills for pregnancy, child-  
6           birth, and genetic testing are admissible as evi-  
7           dence without requiring third-party foundation  
8           testimony, and shall constitute prima facie evi-  
9           dence of amounts incurred for such services or  
10          for testing on behalf of the child.

11          “(L) STANDING OF PUTATIVE FATHERS.—  
12          Procedures ensuring that the putative father  
13          has a reasonable opportunity to initiate a pater-  
14          nity action.

15          “(M) FILING OF ACKNOWLEDGMENTS AND  
16          ADJUDICATIONS IN STATE REGISTRY OF BIRTH  
17          RECORDS.—Procedures under which voluntary  
18          acknowledgments and adjudications of paternity  
19          by judicial or administrative processes are filed  
20          with the State registry of birth records for com-  
21          parison with information in the State case reg-  
22          istry.”.

23          (b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFI-  
24          DAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is  
25          amended by inserting “, and specify the minimum require-

1 ments of an affidavit to be used for the voluntary acknowl-  
 2 edgment of paternity which shall include the social secu-  
 3 rity number of each parent and, after consultation with  
 4 the States, other common elements as determined by such  
 5 designee” before the semicolon.

6 (c) CONFORMING AMENDMENT.—Section 468 (42  
 7 U.S.C. 668) is amended by striking “a simple civil process  
 8 for voluntarily acknowledging paternity and”.

9 **SEC. 332. OUTREACH FOR VOLUNTARY PATERNITY ESTAB-**  
 10 **LISHMENT.**

11 Section 454(23) (42 U.S.C. 654(23)) is amended by  
 12 inserting “and will publicize the availability and encourage  
 13 the use of procedures for voluntary establishment of pater-  
 14 nity and child support by means the State deems appro-  
 15 priate” before the semicolon.

16 **SEC. 333. COOPERATION BY APPLICANTS FOR AND RECIPI-**  
 17 **ENTS OF PART A ASSISTANCE.**

18 Section 454 (42 U.S.C. 654), as amended by sections  
 19 301(b), 303(a), 312(a), and 313(a) of this Act, is amend-  
 20 ed—

21 (1) by striking “and” at the end of paragraph  
 22 (27);

23 (2) by striking the period at the end of para-  
 24 graph (28) and inserting “; and”; and

1           (3) by inserting after paragraph (28) the fol-  
2       lowing new paragraph:

3           “(29) provide that the State agency responsible  
4       for administering the State plan—

5           “(A) shall make the determination (and re-  
6       determination at appropriate intervals) as to  
7       whether an individual who has applied for or is  
8       receiving assistance under the State program  
9       funded under part A, the State program under  
10      title XV, or the State program under XIX is co-  
11      operating in good faith with the State in estab-  
12      lishing the paternity of, or in establishing,  
13      modifying, or enforcing a support order for, any  
14      child of the individual by providing the State  
15      agency with the name of, and such other infor-  
16      mation as the State agency may require with  
17      respect to, the noncustodial parent of the child,  
18      subject to good cause and other exceptions  
19      which—

20           “(i) shall be defined, taking into ac-  
21      count the best interests of the child, and

22           “(ii) shall be applied in each case,  
23      by, at the option of the State, the State agency  
24      administering the State program under part A,  
25      this part, title XV, or title XIX;



1           “(B) shall require the individual to supply  
2 additional necessary information and appear at  
3 interviews, hearings, and legal proceedings;

4           “(C) shall require the individual and the  
5 child to submit to genetic tests pursuant to ju-  
6 dicial or administrative order;

7           “(D) may request that the individual sign  
8 a voluntary acknowledgment of paternity, after  
9 notice of the rights and consequences of such  
10 an acknowledgment, but may not require the in-  
11 dividual to sign an acknowledgment or other-  
12 wise relinquish the right to genetic tests as a  
13 condition of cooperation and eligibility for as-  
14 sistance under the State program funded under  
15 part A, the State program under title XV, or  
16 the State program under title XIX; and

17           “(E) shall promptly notify the individual  
18 and the State agency administering the State  
19 program funded under part A, the State agency  
20 administering the State program under title  
21 XV, and the State agency administering the  
22 State program under title XIX, of each such  
23 determination, and if noncooperation is deter-  
24 mined, the basis therefore.”.

**Subtitle E—Program  
Administration and Funding**

**SEC. 341. PERFORMANCE-BASED INCENTIVES AND PEN-  
ALTIES.**

(a) DEVELOPMENT OF NEW SYSTEM.—The Secretary of Health and Human Services, in consultation with State directors of programs under part D of title IV of the Social Security Act, shall develop a new incentive system to replace, in a revenue neutral manner, the system under section 458 of such Act. The new system shall provide additional payments to any State based on such State’s performance under such a program. Not later than November 1, 1996, the Secretary shall report on the new system to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

(b) CONFORMING AMENDMENTS TO PRESENT SYSTEM.—Section 458 (42 U.S.C. 658) is amended—

(1) in subsection (a), by striking “aid to families with dependent children under a State plan approved under part A of this title” and inserting “assistance under a program funded under part A”;

(2) in subsection (b)(1)(A), by striking “section 402(a)(26)” and inserting “section 408(a)(4)”;

(3) in subsections (b) and (c)—

1 (A) by striking “AFDC collections” each  
 2 place it appears and inserting “title IV–A col-  
 3 lections”, and

4 (B) by striking “non-AFDC collections”  
 5 each place it appears and inserting “non-title  
 6 IV–A collections”; and

7 (4) in subsection (c), by striking “combined  
 8 AFDC/non-AFDC administrative costs” both places  
 9 it appears and inserting “combined title IV–A/non-  
 10 title IV–A administrative costs”.

11 (c) CALCULATION OF PATERNITY ESTABLISHMENT  
 12 PERCENTAGE.—

13 (1) Section 452(g)(1)(A) (42 U.S.C.  
 14 652(g)(1)(A)) is amended by striking “75” and in-  
 15 serting “90”.

16 (2) Section 452(g)(1) (42 U.S.C. 652(g)(1)) is  
 17 amended—

18 (A) by redesignating subparagraphs (B)  
 19 through (E) as subparagraphs (C) through (F),  
 20 respectively, and by inserting after subpara-  
 21 graph (A) the following new subparagraph:

22 “(B) for a State with a paternity establish-  
 23 ment percentage of not less than 75 percent but  
 24 less than 90 percent for such fiscal year, the  
 25 paternity establishment percentage of the State

1           for the immediately preceding fiscal year plus 2  
2           percentage points;”; and

3                   (B) by adding at the end the following new  
4           flush sentence:

5    “In determining compliance under this section, a State  
6    may use as its paternity establishment percentage either  
7    the State’s IV–D paternity establishment percentage (as  
8    defined in paragraph (2)(A)) or the State’s statewide pa-  
9    ternity establishment percentage (as defined in paragraph  
10 (2)(B)).”.

11           (3) Section 452(g)(2) (42 U.S.C. 652(g)(2)) is  
12    amended—

13                   (A) in subparagraph (A)—

14                           (i) in the matter preceding clause

15                           (i)—

16                                   (I) by striking “paternity estab-  
17                                   lishment percentage” and inserting  
18                                   “IV–D paternity establishment per-  
19                                   centage”; and

20                                   (II) by striking “(or all States, as  
21                                   the case may be)”;

22                                   (ii) by striking “and” at the end  
23           thereof;

1 (B) by redesignating subparagraph (B) as  
 2 subparagraph (C) and by inserting after sub-  
 3 paragraph (A) the following new subparagraph:

4 “(B) the term ‘statewide paternity establish-  
 5 ment percentage’ means, with respect to a State for  
 6 a fiscal year, the ratio (expressed as a percentage)  
 7 that the total number of minor children—

8 “(i) who have been born out of wedlock,  
 9 and

10 “(ii) the paternity of whom has been estab-  
 11 lished or acknowledged during the fiscal year,  
 12 bears to the total number of children born out of  
 13 wedlock during the preceding fiscal year; and”;

14 (iii) in the matter following subpara-  
 15 graph (C) (as so redesignated), by striking  
 16 “to have good cause for refusing to cooper-  
 17 ate” and inserting “to qualify for a good  
 18 cause or other exception to cooperation”.

19 (4) Section 452(g)(3) (42 U.S.C. 652(g)(3)) is  
 20 amended—

21 (A) by striking subparagraph (A) and re-  
 22 designating subparagraphs (B) and (C) as sub-  
 23 paragraphs (A) and (B), respectively; and

24 (B) in subparagraph (A) (as so redesign-  
 25 ated), by striking “the percentage of children

1           born out-of-wedlock in a State” and inserting  
2           “the percentage of children in a State who are  
3           born out of wedlock or for whom support has  
4           not been established”.

5       (d) EFFECTIVE DATES.—

6           (1) INCENTIVE ADJUSTMENTS.—

7                   (A) IN GENERAL.—The system developed  
8           under subsection (a) and the amendments made  
9           by subsection (b) shall become effective on Oc-  
10          tober 1, 1997, except to the extent provided in  
11          subparagraph (B).

12                   (B) APPLICATION OF SECTION 458.—Sec-  
13          tion 458 of the Social Security Act, as in effect  
14          on the day before the date of the enactment of  
15          this section, shall be effective for purposes of  
16          incentive payments to States for fiscal years be-  
17          fore fiscal year 1999.

18           (2) PENALTY REDUCTIONS.—The amendments  
19          made by subsection (c) shall become effective with  
20          respect to calendar quarters beginning on or after  
21          the date of the enactment of this Act.

22   **SEC. 342. FEDERAL AND STATE REVIEWS AND AUDITS.**

23          (a) STATE AGENCY ACTIVITIES.—Section 454 (42  
24          U.S.C. 654) is amended—

1           (1) in paragraph (14), by striking “(14)” and  
2     inserting “(14)(A)”;

3           (2) by redesignating paragraph (15) as sub-  
4     paragraph (B) of paragraph (14); and

5           (3) by inserting after paragraph (14) the fol-  
6     lowing new paragraph:

7           “(15) provide for—

8                 “(A) a process for annual reviews of and  
9                 reports to the Secretary on the State program  
10                operated under the State plan approved under  
11                this part, including such information as may be  
12                necessary to measure State compliance with  
13                Federal requirements for expedited procedures,  
14                using such standards and procedures as are re-  
15                quired by the Secretary, under which the State  
16                agency will determine the extent to which the  
17                program is operated in compliance with this  
18                part; and

19               “(B) a process of extracting from the auto-  
20               mated data processing system required by para-  
21               graph (16) and transmitting to the Secretary  
22               data and calculations concerning the levels of  
23               accomplishment (and rates of improvement)  
24               with respect to applicable performance indica-  
25               tors (including paternity establishment percent-

1           ages) to the extent necessary for purposes of  
2           sections 452(g) and 458.”.

3           (b) FEDERAL ACTIVITIES.—Section 452(a)(4) (42  
4 U.S.C. 652(a)(4)) is amended to read as follows:

5           “(4)(A) review data and calculations transmit-  
6           ted by State agencies pursuant to section  
7           454(15)(B) on State program accomplishments with  
8           respect to performance indicators for purposes of  
9           subsection (g) of this section and section 458;

10          “(B) review annual reports submitted pursuant  
11          to section 454(15)(A) and, as appropriate, provide  
12          to the State comments, recommendations for addi-  
13          tional or alternative corrective actions, and technical  
14          assistance; and

15          “(C) conduct audits, in accordance with the  
16          Government auditing standards of the Comptroller  
17          General of the United States—

18               “(i) at least once every 3 years (or more  
19               frequently, in the case of a State which fails to  
20               meet the requirements of this part concerning  
21               performance standards and reliability of pro-  
22               gram data) to assess the completeness, reliabil-  
23               ity, and security of the data and the accuracy  
24               of the reporting systems used in calculating



1 performance indicators under subsection (g) of  
2 this section and section 458;

3 “(ii) of the adequacy of financial manage-  
4 ment of the State program operated under the  
5 State plan approved under this part, including  
6 assessments of—

7 “(I) whether Federal and other funds  
8 made available to carry out the State pro-  
9 gram are being appropriately expended,  
10 and are properly and fully accounted for;  
11 and

12 “(II) whether collections and disburse-  
13 ments of support payments are carried out  
14 correctly and are fully accounted for; and

15 “(iii) for such other purposes as the Sec-  
16 retary may find necessary;”.

17 (c) EFFECTIVE DATE.—The amendments made by  
18 this section shall be effective with respect to calendar  
19 quarters beginning 12 months or more after the date of  
20 the enactment of this Act.

21 **SEC. 343. REQUIRED REPORTING PROCEDURES.**

22 (a) ESTABLISHMENT.—Section 452(a)(5) (42 U.S.C.  
23 652(a)(5)) is amended by inserting “, and establish proce-  
24 dures to be followed by States for collecting and reporting  
25 information required to be provided under this part, and

1 establish uniform definitions (including those necessary to  
 2 enable the measurement of State compliance with the re-  
 3 quirements of this part relating to expedited processes) to  
 4 be applied in following such procedures” before the semi-  
 5 colon.

6 (b) STATE PLAN REQUIREMENT.—Section 454 (42  
 7 U.S.C. 654), as amended by sections 301(b), 303(a),  
 8 312(a), 313(a), and 333 of this Act, is amended—

9 (1) by striking “and” at the end of paragraph  
 10 (28);

11 (2) by striking the period at the end of para-  
 12 graph (29) and inserting “; and”; and

13 (3) by adding after paragraph (29) the follow-  
 14 ing new paragraph:

15 “(30) provide that the State shall use the defi-  
 16 nitions established under section 452(a)(5) in col-  
 17 lecting and reporting information as required under  
 18 this part.”.

19 **SEC. 344. AUTOMATED DATA PROCESSING REQUIREMENTS.**

20 (a) REVISED REQUIREMENTS.—

21 (1) IN GENERAL.—Section 454(16) (42 U.S.C.  
 22 654(16)) is amended—

23 (A) by striking “, at the option of the  
 24 State,”;

1 (B) by inserting “and operation by the  
2 State agency” after “for the establishment”;

3 (C) by inserting “meeting the requirements  
4 of section 454A” after “information retrieval  
5 system”;

6 (D) by striking “in the State and localities  
7 thereof, so as (A)” and inserting “so as”;

8 (E) by striking “(i)”; and

9 (F) by striking “(including” and all that  
10 follows and inserting a semicolon.

11 (2) AUTOMATED DATA PROCESSING.—Part D of  
12 title IV (42 U.S.C. 651–669) is amended by insert-  
13 ing after section 454 the following new section:

14 **“SEC. 454A. AUTOMATED DATA PROCESSING.**

15 “(a) IN GENERAL.—In order for a State to meet the  
16 requirements of this section, the State agency administer-  
17 ing the State program under this part shall have in oper-  
18 ation a single statewide automated data processing and  
19 information retrieval system which has the capability to  
20 perform the tasks specified in this section with the fre-  
21 quency and in the manner required by or under this part.

22 “(b) PROGRAM MANAGEMENT.—The automated sys-  
23 tem required by this section shall perform such functions  
24 as the Secretary may specify relating to management of  
25 the State program under this part, including—

1           “(1) controlling and accounting for use of Fed-  
 2           eral, State, and local funds in carrying out the pro-  
 3           gram; and

4           “(2) maintaining the data necessary to meet  
 5           Federal reporting requirements under this part on a  
 6           timely basis.

7           “(c) CALCULATION OF PERFORMANCE INDICA-  
 8           TORS.—In order to enable the Secretary to determine the  
 9           incentive payments and penalty adjustments required by  
 10          sections 452(g) and 458, the State agency shall—

11          “(1) use the automated system—

12               “(A) to maintain the requisite data on  
 13               State performance with respect to paternity es-  
 14               tablishment and child support enforcement in  
 15               the State; and

16               “(B) to calculate the paternity establish-  
 17               ment percentage for the State for each fiscal  
 18               year; and

19          “(2) have in place systems controls to ensure  
 20          the completeness and reliability of, and ready access  
 21          to, the data described in paragraph (1)(A), and the  
 22          accuracy of the calculations described in paragraph  
 23          (1)(B).

24          “(d) INFORMATION INTEGRITY AND SECURITY.—The  
 25          State agency shall have in effect safeguards on the integ-

1 rity, accuracy, and completeness of, access to, and use of  
2 data in the automated system required by this section,  
3 which shall include the following (in addition to such other  
4 safeguards as the Secretary may specify in regulations):

5       “(1) POLICIES RESTRICTING ACCESS.—Written  
6 policies concerning access to data by State agency  
7 personnel, and sharing of data with other persons,  
8 which—

9               “(A) permit access to and use of data only  
10 to the extent necessary to carry out the State  
11 program under this part; and

12               “(B) specify the data which may be used  
13 for particular program purposes, and the per-  
14 sonnel permitted access to such data.

15       “(2) SYSTEMS CONTROLS.—Systems controls  
16 (such as passwords or blocking of fields) to ensure  
17 strict adherence to the policies described in para-  
18 graph (1).

19       “(3) MONITORING OF ACCESS.—Routine mon-  
20 itoring of access to and use of the automated sys-  
21 tem, through methods such as audit trails and feed-  
22 back mechanisms, to guard against and promptly  
23 identify unauthorized access or use.

24       “(4) TRAINING AND INFORMATION.—Proce-  
25 dures to ensure that all personnel (including State

1       and local agency staff and contractors) who may  
2       have access to or be required to use confidential pro-  
3       gram data are informed of applicable requirements  
4       and penalties (including those in section 6103 of the  
5       Internal Revenue Code of 1986), and are adequately  
6       trained in security procedures.

7               “(5) PENALTIES.—Administrative penalties (up  
8       to and including dismissal from employment) for un-  
9       authorized access to, or disclosure or use of, con-  
10      fidential data.”.

11             (3) REGULATIONS.—The Secretary of Health  
12      and Human Services shall prescribe final regulations  
13      for implementation of section 454A of the Social Se-  
14      curity Act not later than 2 years after the date of  
15      the enactment of this Act.

16             (4) IMPLEMENTATION TIMETABLE.—Section  
17      454(24) (42 U.S.C. 654(24)), as amended by section  
18      303(a)(1) of this Act, is amended to read as follows:

19             “(24) provide that the State will have in effect  
20      an automated data processing and information re-  
21      trieval system—

22             “(A) by October 1, 1997, which meets all  
23      requirements of this part which were enacted on  
24      or before the date of enactment of the Family  
25      Support Act of 1988, and

1           “(B) by October 1, 1999, which meets all  
 2 requirements of this part enacted on or before  
 3 the date of the enactment of the Personal Re-  
 4 sponsibility and Work Opportunity Act of 1996,  
 5 except that such deadline shall be extended by  
 6 1 day for each day (if any) by which the Sec-  
 7 retary fails to meet the deadline imposed by  
 8 section 344(a)(3) of the Personal Responsibility  
 9 and Work Opportunity Act of 1996;”.

10       (b) SPECIAL FEDERAL MATCHING RATE FOR DE-  
 11 VELOPMENT COSTS OF AUTOMATED SYSTEMS.—

12           (1) IN GENERAL.—Section 455(a) (42 U.S.C.  
 13 655(a)) is amended—

14           (A) in paragraph (1)(B)—

15               (i) by striking “90 percent” and in-  
 16 serting “the percent specified in paragraph  
 17 (3)”;

18               (ii) by striking “so much of”; and

19               (iii) by striking “which the Secretary”  
 20 and all that follows and inserting “, and”;  
 21 and

22           (B) by adding at the end the following new  
 23 paragraph:

24       “(3)(A) The Secretary shall pay to each State, for  
 25 each quarter in fiscal years 1996 and 1997, 90 percent

1 of so much of the State expenditures described in para-  
 2 graph (1)(B) as the Secretary finds are for a system meet-  
 3 ing the requirements specified in section 454(16) (as in  
 4 effect on September 30, 1995) but limited to the amount  
 5 approved for States in the advance planning documents  
 6 of such States submitted on or before September 30,  
 7 1995.

8 “(B)(i) The Secretary shall pay to each State, for  
 9 each quarter in fiscal years 1996 through 2001, the per-  
 10 centage specified in clause (ii) of so much of the State  
 11 expenditures described in paragraph (1)(B) as the Sec-  
 12 retary finds are for a system meeting the requirements  
 13 of sections 454(16) and 454A.

14 “(ii) The percentage specified in this clause is 80 per-  
 15 cent.”.

16 (2) TEMPORARY LIMITATION ON PAYMENTS  
 17 UNDER SPECIAL FEDERAL MATCHING RATE.—

18 (A) IN GENERAL.—The Secretary of  
 19 Health and Human Services may not pay more  
 20 than \$400,000,000 in the aggregate under sec-  
 21 tion 455(a)(3)(B) of the Social Security Act for  
 22 fiscal years 1996 through 2001.

23 (B) ALLOCATION OF LIMITATION AMONG  
 24 STATES.—The total amount payable to a State  
 25 under section 455(a)(3)(B) of such Act for fis-



1 cal years 1996 through 2001 shall not exceed  
 2 the limitation determined for the State by the  
 3 Secretary of Health and Human Services in  
 4 regulations.

5 (C) ALLOCATION FORMULA.—The regula-  
 6 tions referred to in subparagraph (B) shall pre-  
 7 scribe a formula for allocating the amount spec-  
 8 ified in subparagraph (A) among States with  
 9 plans approved under part D of title IV of the  
 10 Social Security Act, which shall take into ac-  
 11 count—

12 (i) the relative size of State caseloads  
 13 under such part; and

14 (ii) the level of automation needed to  
 15 meet the automated data processing re-  
 16 quirements of such part.

17 (c) CONFORMING AMENDMENT.—Section 123(c) of  
 18 the Family Support Act of 1988 (102 Stat. 2352; Public  
 19 Law 100–485) is repealed.

20 **SEC. 345. TECHNICAL ASSISTANCE.**

21 (a) FOR TRAINING OF FEDERAL AND STATE STAFF,  
 22 RESEARCH AND DEMONSTRATION PROGRAMS, AND SPE-  
 23 CIAL PROJECTS OF REGIONAL OR NATIONAL SIGNIFI-  
 24 CANCE.—Section 452 (42 U.S.C. 652) is amended by add-  
 25 ing at the end the following new subsection:

1       “(j) Out of any money in the Treasury of the United  
2 States not otherwise appropriated, there is hereby appro-  
3 priated to the Secretary for each fiscal year an amount  
4 equal to 1 percent of the total amount paid to the Federal  
5 Government pursuant to section 457(a) during the imme-  
6 diately preceding fiscal year (as determined on the basis  
7 of the most recent reliable data available to the Secretary  
8 as of the end of the 3rd calendar quarter following the  
9 end of such preceding fiscal year), to cover costs incurred  
10 by the Secretary for—

11           “(1) information dissemination and technical  
12 assistance to States, training of State and Federal  
13 staff, staffing studies, and related activities needed  
14 to improve programs under this part (including tech-  
15 nical assistance concerning State automated systems  
16 required by this part); and

17           “(2) research, demonstration, and special  
18 projects of regional or national significance relating  
19 to the operation of State programs under this part.  
20 The amount appropriated under this subsection shall re-  
21 main available until expended.”.

22       (b) OPERATION OF FEDERAL PARENT LOCATOR  
23 SERVICE.—Section 453 (42 U.S.C. 653), as amended by  
24 section 316 of this Act, is amended by adding at the end  
25 the following new subsection:

1       “(o) RECOVERY OF COSTS.—Out of any money in the  
 2 Treasury of the United States not otherwise appropriated,  
 3 there is hereby appropriated to the Secretary for each fis-  
 4 cal year an amount equal to 2 percent of the total amount  
 5 paid to the Federal Government pursuant to section  
 6 457(a) during the immediately preceding fiscal year (as  
 7 determined on the basis of the most recent reliable data  
 8 available to the Secretary as of the end of the 3rd calendar  
 9 quarter following the end of such preceding fiscal year),  
 10 to cover costs incurred by the Secretary for operation of  
 11 the Federal Parent Locator Service under this section, to  
 12 the extent such costs are not recovered through user  
 13 fees.”.

14 **SEC. 346. REPORTS AND DATA COLLECTION BY THE SEC-**  
 15 **RETARY.**

16       (a) ANNUAL REPORT TO CONGRESS.—

17               (1) Section 452(a)(10)(A) (42 U.S.C.  
 18 652(a)(10)(A)) is amended—

19                       (A) by striking “this part;” and inserting  
 20 “this part, including—”; and

21                       (B) by adding at the end the following new  
 22 clauses:

23                               “(i) the total amount of child support  
 24 payments collected as a result of services

1 furnished during the fiscal year to individ-  
2 uals receiving services under this part;

3 “(ii) the cost to the States and to the  
4 Federal Government of so furnishing the  
5 services; and

6 “(iii) the number of cases involving  
7 families—

8 “(I) who became ineligible for as-  
9 sistance under State programs funded  
10 under part A during a month in the  
11 fiscal year; and

12 “(II) with respect to whom a  
13 child support payment was received in  
14 the month;”.

15 (2) Section 452(a)(10)(C) (42 U.S.C.  
16 652(a)(10)(C)) is amended—

17 (A) in the matter preceding clause (i)—

18 (i) by striking “with the data required  
19 under each clause being separately stated  
20 for cases” and inserting “separately stated  
21 for (1) cases”;

22 (ii) by striking “cases where the child  
23 was formerly receiving” and inserting “or  
24 formerly received”;

1 (iii) by inserting “or 1912” after  
2 “471(a)(17)”; and

3 (iv) by inserting “(2)” before “all  
4 other”;

5 (B) in each of clauses (i) and (ii), by strik-  
6 ing “, and the total amount of such obliga-  
7 tions”;

8 (C) in clause (iii), by striking “described  
9 in” and all that follows and inserting “in which  
10 support was collected during the fiscal year”;

11 (D) by striking clause (iv); and

12 (E) by redesignating clause (v) as clause  
13 (vii), and inserting after clause (iii) the follow-  
14 ing new clauses:

15 “(iv) the total amount of support col-  
16 lected during such fiscal year and distrib-  
17 uted as current support;

18 “(v) the total amount of support col-  
19 lected during such fiscal year and distrib-  
20 uted as arrearages;

21 “(vi) the total amount of support due  
22 and unpaid for all fiscal years; and”.

23 (3) Section 452(a)(10)(G) (42 U.S.C.  
24 652(a)(10)(G)) is amended by striking “on the use  
25 of Federal courts and”.

1 (4) Section 452(a)(10) (42 U.S.C. 652(a)(10))

2 is amended—

3 (A) in subparagraph (H), by striking

4 “and”;

5 (B) in subparagraph (I), by striking the

6 period and inserting “; and”; and

7 (C) by inserting after subparagraph (I) the

8 following new subparagraph:

9 “(J) compliance, by State, with the stand-

10 ards established pursuant to subsections (h)

11 and (i).”.

12 (5) Section 452(a)(10) (42 U.S.C. 652(a)(10))

13 is amended by striking all that follows subparagraph

14 (J), as added by paragraph (4).

15 (b) EFFECTIVE DATE.—The amendments made by

16 subsection (a) shall be effective with respect to fiscal year

17 1997 and succeeding fiscal years.

## 18 **Subtitle F—Establishment and**

## 19 **Modification of Support Orders**

### 20 **SEC. 351. SIMPLIFIED PROCESS FOR REVIEW AND ADJUST-**

### 21 **MENT OF CHILD SUPPORT ORDERS.**

22 Section 466(a)(10) (42 U.S.C. 666(a)(10)) is amend-

23 ed to read as follows:

24 “(10) REVIEW AND ADJUSTMENT OF SUPPORT

25 ORDERS UPON REQUEST.—Procedures under which

1 the State shall review and adjust each support order  
2 being enforced under this part if there is an assign-  
3 ment under part A or upon the request of either  
4 parent, and may review and adjust any other sup-  
5 port order being enforced under this part. Such pro-  
6 cedures shall provide the following:

7 “(A) IN GENERAL.—

8 “(i) 3-YEAR CYCLE.—Except as pro-  
9 vided in subparagraphs (B) and (C), the  
10 State shall review and, as appropriate, ad-  
11 just the support order every 3 years, tak-  
12 ing into account the best interests of the  
13 child involved.

14 “(ii) METHODS OF ADJUSTMENT.—

15 The State may elect to review and, if ap-  
16 propriate, adjust an order pursuant to  
17 clause (i) by—

18 “(I) reviewing and, if appro-  
19 priate, adjusting the order in accord-  
20 ance with the guidelines established  
21 pursuant to section 467(a) if the  
22 amount of the child support award  
23 under the order differs from the  
24 amount that would be awarded in ac-  
25 cordance with the guidelines; or

1                   “(II) applying a cost-of-living ad-  
2                   justment to the order in accordance  
3                   with a formula developed by the State  
4                   and permit either party to contest the  
5                   adjustment, within 30 days after the  
6                   date of the notice of the adjustment,  
7                   by making a request for review and, if  
8                   appropriate, adjustment of the order  
9                   in accordance with the child support  
10                  guidelines established pursuant to sec-  
11                  tion 467(a).

12                 “(iii) NO PROOF OF CHANGE IN CIR-  
13                 CUMSTANCES NECESSARY.—Any adjust-  
14                 ment under this subparagraph (A) shall be  
15                 made without a requirement for proof or  
16                 showing of a change in circumstances.

17                 “(B) AUTOMATED METHOD.—The State  
18                 may use automated methods (including auto-  
19                 mated comparisons with wage or State income  
20                 tax data) to identify orders eligible for review,  
21                 conduct the review, identify orders eligible for  
22                 adjustment, and apply the appropriate adjust-  
23                 ment to the orders eligible for adjustment  
24                 under the threshold established by the State.



1           “(C) REQUEST UPON SUBSTANTIAL  
2 CHANGE IN CIRCUMSTANCES.—The State shall,  
3 at the request of either parent subject to such  
4 an order or of any State child support enforce-  
5 ment agency, review and, if appropriate, adjust  
6 the order in accordance with the guidelines es-  
7 tablished pursuant to section 467(a) based  
8 upon a substantial change in the circumstances  
9 of either parent.

10           “(D) NOTICE OF RIGHT TO REVIEW.—The  
11 State shall provide notice not less than once  
12 every 3 years to the parents subject to such an  
13 order informing them of their right to request  
14 the State to review and, if appropriate, adjust  
15 the order pursuant to this paragraph. The no-  
16 tice may be included in the order.”.

17 **SEC. 352. FURNISHING CONSUMER REPORTS FOR CERTAIN**  
18 **PURPOSES RELATING TO CHILD SUPPORT.**

19       Section 604 of the Fair Credit Reporting Act (15  
20 U.S.C. 1681b) is amended by adding at the end the follow-  
21 ing new paragraphs:

22           “(4) In response to a request by the head of a  
23 State or local child support enforcement agency (or  
24 a State or local government official authorized by  
25 the head of such an agency), if the person making

1 the request certifies to the consumer reporting agency that—

3 “(A) the consumer report is needed for the  
4 purpose of establishing an individual’s capacity  
5 to make child support payments or determining  
6 the appropriate level of such payments;

7 “(B) the paternity of the consumer for the  
8 child to which the obligation relates has been  
9 established or acknowledged by the consumer in  
10 accordance with State laws under which the ob-  
11 ligation arises (if required by those laws);

12 “(C) the person has provided at least 10  
13 days’ prior notice to the consumer whose report  
14 is requested, by certified or registered mail to  
15 the last known address of the consumer, that  
16 the report will be requested; and

17 “(D) the consumer report will be kept con-  
18 fidential, will be used solely for a purpose de-  
19 scribed in subparagraph (A), and will not be  
20 used in connection with any other civil, admin-  
21 istrative, or criminal proceeding, or for any  
22 other purpose.

23 “(5) To an agency administering a State plan  
24 under section 454 of the Social Security Act (42

1 U.S.C. 654) for use to set an initial or modified  
2 child support award.”.

3 **SEC. 353. NONLIABILITY FOR FINANCIAL INSTITUTIONS**  
4 **PROVIDING FINANCIAL RECORDS TO STATE**  
5 **CHILD SUPPORT ENFORCEMENT AGENCIES**  
6 **IN CHILD SUPPORT CASES.**

7 Part D of title IV (42 U.S.C. 651–669) is amended  
8 by adding at the end the following:

9 **“SEC. 469A. NONLIABILITY FOR FINANCIAL INSTITUTIONS**  
10 **PROVIDING FINANCIAL RECORDS TO STATE**  
11 **CHILD SUPPORT ENFORCEMENT AGENCIES**  
12 **IN CHILD SUPPORT CASES.**

13 “(a) IN GENERAL.—Notwithstanding any other pro-  
14 vision of Federal or State law, a financial institution shall  
15 not be liable under any Federal or State law to any person  
16 for disclosing any financial record of an individual to a  
17 State child support enforcement agency attempting to es-  
18 tablish, modify, or enforce a child support obligation of  
19 such individual.

20 “(b) PROHIBITION OF DISCLOSURE OF FINANCIAL  
21 RECORD OBTAINED BY STATE CHILD SUPPORT EN-  
22 FORCEMENT AGENCY.—A State child support enforcement  
23 agency which obtains a financial record of an individual  
24 from a financial institution pursuant to subsection (a)  
25 may disclose such financial record only for the purpose

1 of, and to the extent necessary in, establishing, modifying,  
2 or enforcing a child support obligation of such individual.

3 “(c) CIVIL DAMAGES FOR UNAUTHORIZED DISCLO-  
4 SURE.—

5 “(1) DISCLOSURE BY STATE OFFICER OR EM-  
6 PLOYEE.—If any person knowingly, or by reason of  
7 negligence, discloses a financial record of an individ-  
8 ual in violation of subsection (b), such individual  
9 may bring a civil action for damages against such  
10 person in a district court of the United States.

11 “(2) NO LIABILITY FOR GOOD FAITH BUT ER-  
12 RONEOUS INTERPRETATION.—No liability shall arise  
13 under this subsection with respect to any disclosure  
14 which results from a good faith, but erroneous, in-  
15 terpretation of subsection (b).

16 “(3) DAMAGES.—In any action brought under  
17 paragraph (1), upon a finding of liability on the part  
18 of the defendant, the defendant shall be liable to the  
19 plaintiff in an amount equal to the sum of—

20 “(A) the greater of—

21 “(i) \$1,000 for each act of unauthor-  
22 ized disclosure of a financial record with  
23 respect to which such defendant is found  
24 liable; or

25 “(ii) the sum of—

1                   “(I) the actual damages sus-  
2                   tained by the plaintiff as a result of  
3                   such unauthorized disclosure; plus

4                   “(II) in the case of a willful dis-  
5                   closure or a disclosure which is the re-  
6                   sult of gross negligence, punitive dam-  
7                   ages; plus

8                   “(B) the costs (including attorney’s fees)  
9                   of the action.

10               “(d) DEFINITIONS.—For purposes of this section—

11                   “(1) FINANCIAL INSTITUTION.—The term ‘fi-  
12                   nancial institution’ means—

13                   “(A) a depository institution, as defined in  
14                   section 3(c) of the Federal Deposit Insurance  
15                   Act (12 U.S.C. 1813(c));

16                   “(B) an institution-affiliated party, as de-  
17                   fined in section 3(u) of such Act (12 U.S.C.  
18                   1813(u));

19                   “(C) any Federal credit union or State  
20                   credit union, as defined in section 101 of the  
21                   Federal Credit Union Act (12 U.S.C. 1752), in-  
22                   cluding an institution-affiliated party of such a  
23                   credit union, as defined in section 206(r) of  
24                   such Act (12 U.S.C. 1786(r)); and

1           “(D) any benefit association, insurance  
 2           company, safe deposit company, money-market  
 3           mutual fund, or similar entity authorized to do  
 4           business in the State.

5           “(2) FINANCIAL RECORD.—The term “financial  
 6           record” has the meaning given such term in section  
 7           1101 of the Right to Financial Privacy Act of 1978  
 8           (12 U.S.C. 3401).”.

## 9           **Subtitle G—Enforcement of** 10           **Support Orders**

### 11   **SEC. 361. INTERNAL REVENUE SERVICE COLLECTION OF** 12           **ARREARAGES.**

13           (a) COLLECTION OF FEES.—Section 6305(a) of the  
 14   Internal Revenue Code of 1986 (relating to collection of  
 15   certain liability) is amended—

16           (1) by striking “and” at the end of paragraph  
 17           (3);

18           (2) by striking the period at the end of para-  
 19           graph (4) and inserting “, and”;

20           (3) by adding at the end the following new  
 21           paragraph:

22           “(5) no additional fee may be assessed for ad-  
 23           justments to an amount previously certified pursu-  
 24           ant to such section 452(b) with respect to the same  
 25           obligor.”; and

1           (4) by striking “Secretary of Health, Edu-  
2           cation, and Welfare” each place it appears and in-  
3           serting “Secretary of Health and Human Services”.

4           (b) EFFECTIVE DATE.—The amendments made by  
5 this section shall become effective October 1, 1997.

6 **SEC. 362. AUTHORITY TO COLLECT SUPPORT FROM FED-**  
7 **ERAL EMPLOYEES.**

8           (a) CONSOLIDATION AND STREAMLINING OF AU-  
9 THORITIES.—Section 459 (42 U.S.C. 659) is amended to  
10 read as follows:

11 **“SEC. 459. CONSENT BY THE UNITED STATES TO INCOME**  
12 **WITHHOLDING, GARNISHMENT, AND SIMILAR**  
13 **PROCEEDINGS FOR ENFORCEMENT OF CHILD**  
14 **SUPPORT AND ALIMONY OBLIGATIONS.**

15           “(a) CONSENT TO SUPPORT ENFORCEMENT.—Not-  
16 withstanding any other provision of law (including section  
17 207 of this Act and section 5301 of title 38, United States  
18 Code), effective January 1, 1975, moneys (the entitlement  
19 to which is based upon remuneration for employment) due  
20 from, or payable by, the United States or the District of  
21 Columbia (including any agency, subdivision, or instru-  
22 mentality thereof) to any individual, including members  
23 of the Armed Forces of the United States, shall be subject,  
24 in like manner and to the same extent as if the United  
25 States or the District of Columbia were a private person,

1 to withholding in accordance with State law enacted pur-  
 2 suant to subsections (a)(1) and (b) of section 466 and reg-  
 3 ulations of the Secretary under such subsections, and to  
 4 any other legal process brought, by a State agency admin-  
 5 istering a program under a State plan approved under this  
 6 part or by an individual obligee, to enforce the legal obliga-  
 7 tion of the individual to provide child support or alimony.

8 “(b) CONSENT TO REQUIREMENTS APPLICABLE TO  
 9 PRIVATE PERSON.—With respect to notice to withhold in-  
 10 come pursuant to subsection (a)(1) or (b) of section 466,  
 11 or any other order or process to enforce support obliga-  
 12 tions against an individual (if the order or process con-  
 13 tains or is accompanied by sufficient data to permit  
 14 prompt identification of the individual and the moneys in-  
 15 volved), each governmental entity specified in subsection  
 16 (a) shall be subject to the same requirements as would  
 17 apply if the entity were a private person, except as other-  
 18 wise provided in this section.

19 “(c) DESIGNATION OF AGENT; RESPONSE TO NOTICE  
 20 OR PROCESS—

21 “(1) DESIGNATION OF AGENT.—The head of  
 22 each agency subject to this section shall—

23 “(A) designate an agent or agents to re-  
 24 ceive orders and accept service of process in



1 matters relating to child support or alimony;  
2 and

3 “(B) annually publish in the Federal Reg-  
4 ister the designation of the agent or agents,  
5 identified by title or position, mailing address,  
6 and telephone number.

7 “(2) RESPONSE TO NOTICE OR PROCESS.—If an  
8 agent designated pursuant to paragraph (1) of this  
9 subsection receives notice pursuant to State proce-  
10 dures in effect pursuant to subsection (a)(1) or (b)  
11 of section 466, or is effectively served with any  
12 order, process, or interrogatory, with respect to an  
13 individual’s child support or alimony payment obli-  
14 gations, the agent shall—

15 “(A) as soon as possible (but not later  
16 than 15 days) thereafter, send written notice of  
17 the notice or service (together with a copy of  
18 the notice or service) to the individual at the  
19 duty station or last-known home address of the  
20 individual;

21 “(B) within 30 days (or such longer period  
22 as may be prescribed by applicable State law)  
23 after receipt of a notice pursuant to such State  
24 procedures, comply with all applicable provi-  
25 sions of section 466; and

1           “(C) within 30 days (or such longer period  
2           as may be prescribed by applicable State law)  
3           after effective service of any other such order,  
4           process, or interrogatory, respond to the order,  
5           process, or interrogatory.

6           “(d) PRIORITY OF CLAIMS.—If a governmental entity  
7           specified in subsection (a) receives notice or is served with  
8           process, as provided in this section, concerning amounts  
9           owed by an individual to more than 1 person—

10           “(1) support collection under section 466(b)  
11           must be given priority over any other process, as  
12           provided in section 466(b)(7);

13           “(2) allocation of moneys due or payable to an  
14           individual among claimants under section 466(b)  
15           shall be governed by section 466(b) and the regula-  
16           tions prescribed under such section; and

17           “(3) such moneys as remain after compliance  
18           with paragraphs (1) and (2) shall be available to  
19           satisfy any other such processes on a first-come,  
20           first-served basis, with any such process being satis-  
21           fied out of such moneys as remain after the satisfac-  
22           tion of all such processes which have been previously  
23           served.

24           “(e) NO REQUIREMENT TO VARY PAY CYCLES.—A  
25           governmental entity that is affected by legal process

1 served for the enforcement of an individual's child support  
2 or alimony payment obligations shall not be required to  
3 vary its normal pay and disbursement cycle in order to  
4 comply with the legal process.

5 “(f) RELIEF FROM LIABILITY.—

6 “(1) Neither the United States, nor the govern-  
7 ment of the District of Columbia, nor any disbursing  
8 officer shall be liable with respect to any payment  
9 made from moneys due or payable from the United  
10 States to any individual pursuant to legal process  
11 regular on its face, if the payment is made in ac-  
12 cordance with this section and the regulations issued  
13 to carry out this section.

14 “(2) No Federal employee whose duties include  
15 taking actions necessary to comply with the require-  
16 ments of subsection (a) with regard to any individ-  
17 ual shall be subject under any law to any discipli-  
18 nary action or civil or criminal liability or penalty  
19 for, or on account of, any disclosure of information  
20 made by the employee in connection with the carry-  
21 ing out of such actions.

22 “(g) REGULATIONS.—Authority to promulgate regu-  
23 lations for the implementation of this section shall, insofar  
24 as this section applies to moneys due from (or payable  
25 by)—

1           “(1) the United States (other than the legisla-  
2           tive or judicial branches of the Federal Government)  
3           or the government of the District of Columbia, be  
4           vested in the President (or the designee of the Presi-  
5           dent);

6           “(2) the legislative branch of the Federal Gov-  
7           ernment, be vested jointly in the President pro tem-  
8           pore of the Senate and the Speaker of the House of  
9           Representatives (or their designees), and

10           “(3) the judicial branch of the Federal Govern-  
11           ment, be vested in the Chief Justice of the United  
12           States (or the designee of the Chief Justice).

13           “(h) MONEYS SUBJECT TO PROCESS.—

14           “(1) IN GENERAL.—Subject to paragraph (2),  
15           moneys paid or payable to an individual which are  
16           considered to be based upon remuneration for em-  
17           ployment, for purposes of this section—

18           “(A) consist of—

19           “(i) compensation paid or payable for  
20           personal services of the individual, whether  
21           the compensation is denominated as wages,  
22           salary, commission, bonus, pay, allowances,  
23           or otherwise (including severance pay, sick  
24           pay, and incentive pay);

1           “(ii) periodic benefits (including a  
2           periodic benefit as defined in section  
3           228(h)(3)) or other payments—

4                   “(I) under the insurance system  
5                   established by title II;

6                   “(II) under any other system or  
7                   fund established by the United States  
8                   which provides for the payment of  
9                   pensions, retirement or retired pay,  
10                  annuities, dependents’ or survivors’  
11                  benefits, or similar amounts payable  
12                  on account of personal services per-  
13                  formed by the individual or any other  
14                  individual;

15                  “(III) as compensation for death  
16                  under any Federal program;

17                  “(IV) under any Federal pro-  
18                  gram established to provide ‘black  
19                  lung’ benefits; or

20                  “(V) by the Secretary of Veter-  
21                  ans Affairs as compensation for a  
22                  service-connected disability paid by  
23                  the Secretary to a former member of  
24                  the Armed Forces who is in receipt of  
25                  retired or retainer pay if the former

1 member has waived a portion of the  
2 retired or retainer pay in order to re-  
3 ceive such compensation; and

4 “(iii) worker’s compensation benefits  
5 paid under Federal or State law but—

6 “(B) do not include any payment—

7 “(i) by way of reimbursement or oth-  
8 erwise, to defray expenses incurred by the  
9 individual in carrying out duties associated  
10 with the employment of the individual; or

11 “(ii) as allowances for members of the  
12 uniformed services payable pursuant to  
13 chapter 7 of title 37, United States Code,  
14 as prescribed by the Secretaries concerned  
15 (defined by section 101(5) of such title) as  
16 necessary for the efficient performance of  
17 duty.

18 “(2) CERTAIN AMOUNTS EXCLUDED.—In deter-  
19 mining the amount of any moneys due from, or pay-  
20 able by, the United States to any individual, there  
21 shall be excluded amounts which—

22 “(A) are owed by the individual to the  
23 United States;

24 “(B) are required by law to be, and are,  
25 deducted from the remuneration or other pay-

1           ment involved, including Federal employment  
2           taxes, and fines and forfeitures ordered by  
3           court-martial;

4           “(C) are properly withheld for Federal,  
5           State, or local income tax purposes, if the with-  
6           holding of the amounts is authorized or re-  
7           quired by law and if amounts withheld are not  
8           greater than would be the case if the individual  
9           claimed all dependents to which he was entitled  
10          (the withholding of additional amounts pursu-  
11          ant to section 3402(i) of the Internal Revenue  
12          Code of 1986 may be permitted only when the  
13          individual presents evidence of a tax obligation  
14          which supports the additional withholding);

15          “(D) are deducted as health insurance pre-  
16          miums;

17          “(E) are deducted as normal retirement  
18          contributions (not including amounts deducted  
19          for supplementary coverage); or

20          “(F) are deducted as normal life insurance  
21          premiums from salary or other remuneration  
22          for employment (not including amounts de-  
23          ducted for supplementary coverage).

24          “(i) DEFINITIONS.—For purposes of this section—

1           “(1) UNITED STATES.—The term ‘United  
2 States’ includes any department, agency, or instru-  
3 mentality of the legislative, judicial, or executive  
4 branch of the Federal Government, the United  
5 States Postal Service, the Postal Rate Commission,  
6 any Federal corporation created by an Act of Con-  
7 gress that is wholly owned by the Federal Govern-  
8 ment, and the governments of the territories and  
9 possessions of the United States.

10           “(2) CHILD SUPPORT.—The term ‘child sup-  
11 port’, when used in reference to the legal obligations  
12 of an individual to provide such support, means  
13 amounts required to be paid under a judgment, de-  
14 cree, or order, whether temporary, final, or subject  
15 to modification, issued by a court or an administra-  
16 tive agency of competent jurisdiction, for the sup-  
17 port and maintenance of a child, including a child  
18 who has attained the age of majority under the law  
19 of the issuing State, or a child and the parent with  
20 whom the child is living, which provides for mone-  
21 tary support, health care, arrearages or reimburse-  
22 ment, and which may include other related costs and  
23 fees, interest and penalties, income withholding, at-  
24 torney’s fees, and other relief.

25           “(3) ALIMONY.—



1           “(A) IN GENERAL.—The term ‘alimony’,  
2           when used in reference to the legal obligations  
3           of an individual to provide the same, means  
4           periodic payments of funds for the support and  
5           maintenance of the spouse (or former spouse)  
6           of the individual, and (subject to and in accord-  
7           ance with State law) includes separate mainte-  
8           nance, alimony pendente lite, maintenance, and  
9           spousal support, and includes attorney’s fees,  
10          interest, and court costs when and to the extent  
11          that the same are expressly made recoverable  
12          as such pursuant to a decree, order, or judg-  
13          ment issued in accordance with applicable State  
14          law by a court of competent jurisdiction.

15          “(B) EXCEPTIONS.—Such term does not  
16          include—

17               “(i) any child support; or

18               “(ii) any payment or transfer of prop-  
19              erty or its value by an individual to the  
20              spouse or a former spouse of the individual  
21              in compliance with any community prop-  
22              erty settlement, equitable distribution of  
23              property, or other division of property be-  
24              tween spouses or former spouses.

1           “(4) PRIVATE PERSON.—The term ‘private per-  
2           son’ means a person who does not have sovereign or  
3           other special immunity or privilege which causes the  
4           person not to be subject to legal process.

5           “(5) LEGAL PROCESS.—The term ‘legal proc-  
6           ess’ means any writ, order, summons, or other simi-  
7           lar process in the nature of garnishment—

8                   “(A) which is issued by—

9                           “(i) a court or an administrative  
10                           agency of competent jurisdiction in any  
11                           State, territory, or possession of the Unit-  
12                           ed States;

13                           “(ii) a court or an administrative  
14                           agency of competent jurisdiction in any  
15                           foreign country with which the United  
16                           States has entered into an agreement  
17                           which requires the United States to honor  
18                           the process; or

19                           “(iii) an authorized official pursuant  
20                           to an order of such a court or an adminis-  
21                           trative agency of competent jurisdiction or  
22                           pursuant to State or local law; and

23                   “(B) which is directed to, and the purpose  
24                   of which is to compel, a governmental entity  
25                   which holds moneys which are otherwise pay-

1           able to an individual to make a payment from  
2           the moneys to another party in order to satisfy  
3           a legal obligation of the individual to provide  
4           child support or make alimony payments.”.

5       (b) CONFORMING AMENDMENTS.—

6           (1) TO PART D OF TITLE IV.—Sections 461 and  
7       462 (42 U.S.C. 661 and 662) are repealed.

8           (2) TO TITLE 5, UNITED STATES CODE.—Sec-  
9       tion 5520a of title 5, United States Code, is amend-  
10      ed, in subsections (h)(2) and (i), by striking “sec-  
11      tions 459, 461, and 462 of the Social Security Act  
12      (42 U.S.C. 659, 661, and 662)” and inserting “sec-  
13      tion 459 of the Social Security Act (42 U.S.C.  
14      659)”.

15      (c) MILITARY RETIRED AND RETAINER PAY.—

16           (1) DEFINITION OF COURT.—Section  
17      1408(a)(1) of title 10, United States Code, is  
18      amended—

19           (A) by striking “and” at the end of sub-  
20      paragraph (B);

21           (B) by striking the period at the end of  
22      subparagraph (C) and inserting “; and”; and

23           (C) by adding after subparagraph (C) the  
24      following new subparagraph:

1           “(D) any administrative or judicial tribu-  
 2           nal of a State competent to enter orders for  
 3           support or maintenance (including a State  
 4           agency administering a program under a State  
 5           plan approved under part D of title IV of the  
 6           Social Security Act), and, for purposes of this  
 7           subparagraph, the term ‘State’ includes the  
 8           District of Columbia, the Commonwealth of  
 9           Puerto Rico, the Virgin Islands, Guam, and  
 10          American Samoa.”.

11          (2) DEFINITION OF COURT ORDER.—Section  
 12          1408(a)(2) of such title is amended—

13                (A) by inserting “or a support order, as  
 14                defined in section 453(p) of the Social Security  
 15                Act (42 U.S.C. 653(p)),” before “which—”;

16                (B) in subparagraph (B)(i), by striking  
 17                “(as defined in section 462(b) of the Social Se-  
 18                curity Act (42 U.S.C. 662(b)))” and inserting  
 19                “(as defined in section 459(i)(2) of the Social  
 20                Security Act (42 U.S.C. 659(i)(2)))”; and

21                (C) in subparagraph (B)(ii), by striking  
 22                “(as defined in section 462(c) of the Social Se-  
 23                curity Act (42 U.S.C. 662(c)))” and inserting  
 24                “(as defined in section 459(i)(3) of the Social  
 25                Security Act (42 U.S.C. 659(i)(3)))”.

1           (3) PUBLIC PAYEE.—Section 1408(d) of such  
2 title is amended—

3           (A) in the heading, by inserting “(OR FOR  
4 BENEFIT OF)” before “SPOUSE OR”; and

5           (B) in paragraph (1), in the 1st sentence,  
6 by inserting “(or for the benefit of such spouse  
7 or former spouse to a State disbursement unit  
8 established pursuant to section 454B of the So-  
9 cial Security Act or other public payee des-  
10 ignated by a State, in accordance with part D  
11 of title IV of the Social Security Act, as di-  
12 rected by court order, or as otherwise directed  
13 in accordance with such part D)” before “in an  
14 amount sufficient”.

15           (4) RELATIONSHIP TO PART D OF TITLE IV.—  
16 Section 1408 of such title is amended by adding at  
17 the end the following new subsection:

18           “(j) RELATIONSHIP TO OTHER LAWS.—In any case  
19 involving an order providing for payment of child support  
20 (as defined in section 459(i)(2) of the Social Security Act)  
21 by a member who has never been married to the other  
22 parent of the child, the provisions of this section shall not  
23 apply, and the case shall be subject to the provisions of  
24 section 459 of such Act.”.

1 (d) EFFECTIVE DATE.—The amendments made by  
2 this section shall become effective 6 months after the date  
3 of the enactment of this Act.

4 **SEC. 363. ENFORCEMENT OF CHILD SUPPORT OBLIGA-**  
5 **TIONS OF MEMBERS OF THE ARMED FORCES.**

6 (a) AVAILABILITY OF LOCATOR INFORMATION.—

7 (1) MAINTENANCE OF ADDRESS INFORMA-  
8 TION.—The Secretary of Defense shall establish a  
9 centralized personnel locator service that includes  
10 the address of each member of the Armed Forces  
11 under the jurisdiction of the Secretary. Upon re-  
12 quest of the Secretary of Transportation, addresses  
13 for members of the Coast Guard shall be included in  
14 the centralized personnel locator service.

15 (2) TYPE OF ADDRESS.—

16 (A) RESIDENTIAL ADDRESS.—Except as  
17 provided in subparagraph (B), the address for  
18 a member of the Armed Forces shown in the lo-  
19 cator service shall be the residential address of  
20 that member.

21 (B) DUTY ADDRESS.—The address for a  
22 member of the Armed Forces shown in the loca-  
23 tor service shall be the duty address of that  
24 member in the case of a member—

1 (i) who is permanently assigned over-  
2 seas, to a vessel, or to a routinely  
3 deployable unit; or

4 (ii) with respect to whom the Sec-  
5 retary concerned makes a determination  
6 that the member's residential address  
7 should not be disclosed due to national se-  
8 curity or safety concerns.

9 (3) UPDATING OF LOCATOR INFORMATION.—

10 Within 30 days after a member listed in the locator  
11 service establishes a new residential address (or a  
12 new duty address, in the case of a member covered  
13 by paragraph (2)(B)), the Secretary concerned shall  
14 update the locator service to indicate the new ad-  
15 dress of the member.

16 (4) AVAILABILITY OF INFORMATION.—The Sec-  
17 retary of Defense shall make information regarding  
18 the address of a member of the Armed Forces listed  
19 in the locator service available, on request, to the  
20 Federal Parent Locator Service established under  
21 section 453 of the Social Security Act.

22 (b) FACILITATING GRANTING OF LEAVE FOR AT-  
23 TENDANCE AT HEARINGS.—

24 (1) REGULATIONS.—The Secretary of each  
25 military department, and the Secretary of Transpor-

1       tation with respect to the Coast Guard when it is  
2       not operating as a service in the Navy, shall pre-  
3       scribe regulations to facilitate the granting of leave  
4       to a member of the Armed Forces under the juris-  
5       diction of that Secretary in a case in which—

6               (A) the leave is needed for the member to  
7       attend a hearing described in paragraph (2);

8               (B) the member is not serving in or with  
9       a unit deployed in a contingency operation (as  
10      defined in section 101 of title 10, United States  
11      Code); and

12              (C) the exigencies of military service (as  
13      determined by the Secretary concerned) do not  
14      otherwise require that such leave not be grant-  
15      ed.

16       (2) COVERED HEARINGS.—Paragraph (1) ap-  
17      plies to a hearing that is conducted by a court or  
18      pursuant to an administrative process established  
19      under State law, in connection with a civil action—

20              (A) to determine whether a member of the  
21      Armed Forces is a natural parent of a child; or

22              (B) to determine an obligation of a mem-  
23      ber of the Armed Forces to provide child sup-  
24      port.



1           (3) DEFINITIONS.—For purposes of this sub-  
2       section—

3           (A) The term “court” has the meaning  
4       given that term in section 1408(a) of title 10,  
5       United States Code.

6           (B) The term “child support” has the  
7       meaning given such term in section 459(i) of  
8       the Social Security Act (42 U.S.C. 659(i)).

9       (c) PAYMENT OF MILITARY RETIRED PAY IN COM-  
10     PLIANCE WITH CHILD SUPPORT ORDERS.—

11           (1) DATE OF CERTIFICATION OF COURT  
12     ORDER.—Section 1408 of title 10, United States  
13     Code, as amended by section 362(c)(4) of this Act,  
14     is amended—

15           (A) by redesignating subsections (i) and (j)  
16     as subsections (j) and (k), respectively; and

17           (B) by inserting after subsection (h) the  
18     following new subsection:

19       “(i) CERTIFICATION DATE.—It is not necessary that  
20     the date of a certification of the authenticity or complete-  
21     ness of a copy of a court order for child support received  
22     by the Secretary concerned for the purposes of this section  
23     be recent in relation to the date of receipt by the Sec-  
24     retary.”.

1           (2) PAYMENTS CONSISTENT WITH ASSIGN-  
2           MENTS OF RIGHTS TO STATES.—Section 1408(d)(1)  
3           of such title is amended by inserting after the 1st  
4           sentence the following new sentence: “In the case of  
5           a spouse or former spouse who, pursuant to section  
6           408(a)(4) of the Social Security Act (42 U.S.C.  
7           608(a)(4)), assigns to a State the rights of the  
8           spouse or former spouse to receive support, the Sec-  
9           retary concerned may make the child support pay-  
10          ments referred to in the preceding sentence to that  
11          State in amounts consistent with that assignment of  
12          rights.”.

13           (3) ARREARAGES OWED BY MEMBERS OF THE  
14          UNIFORMED SERVICES.—Section 1408(d) of such  
15          title is amended by adding at the end the following  
16          new paragraph:

17          “(6) In the case of a court order for which effective  
18          service is made on the Secretary concerned on or after  
19          the date of the enactment of this paragraph and which  
20          provides for payments from the disposable retired pay of  
21          a member to satisfy the amount of child support set forth  
22          in the order, the authority provided in paragraph (1) to  
23          make payments from the disposable retired pay of a mem-  
24          ber to satisfy the amount of child support set forth in a  
25          court order shall apply to payment of any amount of child

1 support arrearages set forth in that order as well as to  
 2 amounts of child support that currently become due.”.

3 (4) PAYROLL DEDUCTIONS.—The Secretary of  
 4 Defense shall begin payroll deductions within 30  
 5 days after receiving notice of withholding, or for the  
 6 1st pay period that begins after such 30-day period.

7 **SEC. 364. VOIDING OF FRAUDULENT TRANSFERS.**

8 Section 466 (42 U.S.C. 666), as amended by section  
 9 321 of this Act, is amended by adding at the end the fol-  
 10 lowing new subsection:

11 “(g) LAWS VOIDING FRAUDULENT TRANSFERS.—In  
 12 order to satisfy section 454(20)(A), each State must have  
 13 in effect—

14 “(1)(A) the Uniform Fraudulent Conveyance  
 15 Act of 1981;

16 “(B) the Uniform Fraudulent Transfer Act  
 17 of 1984; or

18 “(C) another law, specifying indicia of  
 19 fraud which create a prima facie case that a  
 20 debtor transferred income or property to avoid  
 21 payment to a child support creditor, which the  
 22 Secretary finds affords comparable rights to  
 23 child support creditors; and

24 “(2) procedures under which, in any case in  
 25 which the State knows of a transfer by a child sup-

1 port debtor with respect to which such a prima facie  
 2 case is established, the State must—

3 “(A) seek to void such transfer; or

4 “(B) obtain a settlement in the best inter-  
 5 ests of the child support creditor.”.

6 **SEC. 365. WORK REQUIREMENT FOR PERSONS OWING**  
 7 **PAST-DUE CHILD SUPPORT.**

8 (a) IN GENERAL.—Section 466(a) (42 U.S.C.  
 9 666(a)), as amended by sections 315, 317(a), and 323 of  
 10 this Act, is amended by adding at the end the following  
 11 new paragraph:

12 “(15) PROCEDURES TO ENSURE THAT PERSONS  
 13 OWING PAST-DUE SUPPORT WORK OR HAVE A PLAN  
 14 FOR PAYMENT OF SUCH SUPPORT.—

15 “(A) IN GENERAL.—Procedures under  
 16 which the State has the authority, in any case  
 17 in which an individual owes past-due support  
 18 with respect to a child receiving assistance  
 19 under a State program funded under part A, to  
 20 issue an order or to request that a court or an  
 21 administrative process established pursuant to  
 22 State law issue an order that requires the indi-  
 23 vidual to—

24 “(i) pay such support in accordance  
 25 with a plan approved by the court, or, at

1 the option of the State, a plan approved by  
2 the State agency administering the State  
3 program under this part; or

4 “(ii) if the individual is subject to  
5 such a plan and is not incapacitated, par-  
6 ticipate in such work activities (as defined  
7 in section 407(d)) as the court, or, at the  
8 option of the State, the State agency ad-  
9 ministering the State program under this  
10 part, deems appropriate.

11 “(B) PAST-DUE SUPPORT DEFINED.—For  
12 purposes of subparagraph (A), the term ‘past-  
13 due support’ means the amount of a delin-  
14 quency, determined under a court order, or an  
15 order of an administrative process established  
16 under State law, for support and maintenance  
17 of a child, or of a child and the parent with  
18 whom the child is living.”.

19 (b) CONFORMING AMENDMENT.—The flush para-  
20 graph at the end of section 466(a) (42 U.S.C.666(a)) is  
21 amended by striking “and (7)” and inserting “(7), and  
22 (15)”.

1 **SEC. 366. DEFINITION OF SUPPORT ORDER.**

2 Section 453 (42 U.S.C. 653) as amended by sections  
3 316 and 345(b) of this Act, is amended by adding at the  
4 end the following new subsection:

5 “(p) **SUPPORT ORDER DEFINED.**—As used in this  
6 part, the term ‘support order’ means a judgment, decree,  
7 or order, whether temporary, final, or subject to modifica-  
8 tion, issued by a court or an administrative agency of com-  
9 petent jurisdiction, for the support and maintenance of a  
10 child, including a child who has attained the age of major-  
11 ity under the law of the issuing State, or a child and the  
12 parent with whom the child is living, which provides for  
13 monetary support, health care, arrearages, or reimburse-  
14 ment, and which may include related costs and fees, inter-  
15 est and penalties, income withholding, attorneys’ fees, and  
16 other relief.”.

17 **SEC. 367. REPORTING ARREARAGES TO CREDIT BUREAUS.**

18 Section 466(a)(7) (42 U.S.C. 666(a)(7)) is amended  
19 to read as follows:

20 “(7) **REPORTING ARREARAGES TO CREDIT BU-**  
21 **REAUS.**—

22 “(A) **IN GENERAL.**—Procedures (subject to  
23 safeguards pursuant to subparagraph (B)) re-  
24 quiring the State to report periodically to  
25 consumer reporting agencies (as defined in sec-  
26 tion 603(f) of the Fair Credit Reporting Act

1 (15 U.S.C. 1681a(f)) the name of any non-  
 2 custodial parent who is delinquent in the pay-  
 3 ment of support, and the amount of overdue  
 4 support owed by such parent.

5 “(B) SAFEGUARDS.—Procedures ensuring  
 6 that, in carrying out subparagraph (A), infor-  
 7 mation with respect to a noncustodial parent is  
 8 reported—

9 “(i) only after such parent has been  
 10 afforded all due process required under  
 11 State law, including notice and a reason-  
 12 able opportunity to contest the accuracy of  
 13 such information; and

14 “(ii) only to an entity that has fur-  
 15 nished evidence satisfactory to the State  
 16 that the entity is a consumer reporting  
 17 agency (as so defined).”.

18 **SEC. 368. LIENS.**

19 Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amended  
 20 to read as follows:

21 “(4) LIENS.—Procedures under which—

22 “(A) liens arise by operation of law against  
 23 real and personal property for amounts of over-  
 24 due support owed by a noncustodial parent who  
 25 resides or owns property in the State; and

1           “(B) the State accords full faith and credit  
2           to liens described in subparagraph (A) arising  
3           in another State, when the State agency, party,  
4           or other entity seeking to enforce such a lien  
5           complies with the procedural rules relating to  
6           recording or serving liens that arise within the  
7           State, except that such rules may not require  
8           judicial notice or hearing prior to the enforce-  
9           ment of such a lien.”.

10 **SEC. 369. STATE LAW AUTHORIZING SUSPENSION OF LI-**  
11 **CENSES.**

12       Section 466(a) (42 U.S.C. 666(a)), as amended by  
13 sections 315, 317(a), 323, and 365 of this Act, is amended  
14 by adding at the end the following:

15           “(16) **AUTHORITY TO WITHHOLD OR SUSPEND**  
16 **LICENSES.**—Procedures under which the State has  
17 (and uses in appropriate cases) authority to withhold  
18 or suspend, or to restrict the use of driver’s licenses,  
19 professional and occupational licenses, and rec-  
20 reational licenses of individuals owing overdue sup-  
21 port or failing, after receiving appropriate notice, to  
22 comply with subpoenas or warrants relating to pa-  
23 ternity or child support proceedings.”.



1 **SEC. 370. DENIAL OF PASSPORTS FOR NONPAYMENT OF**  
2 **CHILD SUPPORT.**

3 (a) HHS CERTIFICATION PROCEDURE.—

4 (1) SECRETARIAL RESPONSIBILITY.—Section  
5 452 (42 U.S.C. 652), as amended by section 345 of  
6 this Act, is amended by adding at the end the fol-  
7 lowing new subsection:

8 “(k)(1) If the Secretary receives a certification by a  
9 State agency in accordance with the requirements of sec-  
10 tion 454(31) that an individual owes arrearages of child  
11 support in an amount exceeding \$5,000, the Secretary  
12 shall transmit such certification to the Secretary of State  
13 for action (with respect to denial, revocation, or limitation  
14 of passports) pursuant paragraph (2).

15 “(2) The Secretary of State shall, upon certification  
16 by the Secretary transmitted under paragraph (1), refuse  
17 to issue a passport to such individual, and may revoke,  
18 restrict, or limit a passport issued previously to such indi-  
19 vidual.

20 “(3) The Secretary and the Secretary of State shall  
21 not be liable to an individual for any action with respect  
22 to a certification by a State agency under this section.”.

23 (2) STATE AGENCY RESPONSIBILITY.—Section  
24 454 (42 U.S.C. 654), as amended by sections  
25 301(b), 303(a), 312(b), 313(a), 333, and 343(b) of  
26 this Act, is amended—

1 (A) by striking “and” at the end of para-  
2 graph (29);

3 (B) by striking the period at the end of  
4 paragraph (30) and inserting “; and”; and

5 (C) by adding after paragraph (30) the fol-  
6 lowing new paragraph:

7 “(31) provide that the State agency will have in  
8 effect a procedure for certifying to the Secretary, for  
9 purposes of the procedure under section 452(k), de-  
10 terminations that individuals owe arrearages of child  
11 support in an amount exceeding \$5,000, under  
12 which procedure—

13 “(A) each individual concerned is afforded  
14 notice of such determination and the con-  
15 sequences thereof, and an opportunity to con-  
16 test the determination; and

17 “(B) the certification by the State agency  
18 is furnished to the Secretary in such format,  
19 and accompanied by such supporting docu-  
20 mentation, as the Secretary may require.”.

21 (b) EFFECTIVE DATE.—This section and the amend-  
22 ments made by this section shall become effective October  
23 1, 1997.

1 **SEC. 371. INTERNATIONAL SUPPORT ENFORCEMENT.**

2 (a) AUTHORITY FOR INTERNATIONAL AGREE-  
3 MENTS.—Part D of title IV, as amended by section 362(a)  
4 of this Act, is amended by adding after section 459 the  
5 following new section:

6 **“SEC. 459A. INTERNATIONAL SUPPORT ENFORCEMENT.**

7 “(a) AUTHORITY FOR DECLARATIONS.—

8 “(1) DECLARATION.—The Secretary of State,  
9 with the concurrence of the Secretary of Health and  
10 Human Services, is authorized to declare any foreign  
11 country (or a political subdivision thereof) to be a  
12 foreign reciprocating country if the foreign country  
13 has established, or undertakes to establish, proce-  
14 dures for the establishment and enforcement of du-  
15 ties of support owed to obligees who are residents of  
16 the United States, and such procedures are substan-  
17 tially in conformity with the standards prescribed  
18 under subsection (b).

19 “(2) REVOCATION.—A declaration with respect  
20 to a foreign country made pursuant to paragraph  
21 (1) may be revoked if the Secretaries of State and  
22 Health and Human Services determine that—

23 “(A) the procedures established by the for-  
24 eign country regarding the establishment and  
25 enforcement of duties of support have been so  
26 changed, or the foreign country’s implementa-

1           tion of such procedures is so unsatisfactory,  
 2           that such procedures do not meet the criteria  
 3           for such a declaration; or

4           “(B) continued operation of the declaration  
 5           is not consistent with the purposes of this part.

6           “(3) FORM OF DECLARATION.—A declaration  
 7           under paragraph (1) may be made in the form of an  
 8           international agreement, in connection with an inter-  
 9           national agreement or corresponding foreign declara-  
 10          tion, or on a unilateral basis.

11          “(b) STANDARDS FOR FOREIGN SUPPORT ENFORCE-  
 12          MENT PROCEDURES.—

13           “(1) MANDATORY ELEMENTS.—Support en-  
 14           forcement procedures of a foreign country which  
 15           may be the subject of a declaration pursuant to sub-  
 16           section (a)(1) shall include the following elements:

17           “(A) The foreign country (or political sub-  
 18           division thereof) has in effect procedures, avail-  
 19           able to residents of the United States—

20           “(i) for establishment of paternity,  
 21           and for establishment of orders of support  
 22           for children and custodial parents; and

23           “(ii) for enforcement of orders to pro-  
 24           vide support to children and custodial par-  
 25           ents, including procedures for collection

1                   and appropriate distribution of child sup-  
2                   port payments under such orders.

3                   “(B) The procedures described in subpara-  
4                   graph (A), including legal and administrative  
5                   assistance, are provided to residents of the  
6                   United States at no cost.

7                   “(C) An agency of the foreign country is  
8                   designated as a Central Authority responsible  
9                   for—

10                  “(i) facilitating support enforcement in cases  
11                  involving residents of the foreign country and resi-  
12                  dents of the United States; and

13                  “(ii) ensuring compliance with the standards es-  
14                  tablished pursuant to this subsection.

15                  “(2) ADDITIONAL ELEMENTS.—The Secretary  
16                  of Health and Human Services and the Secretary of  
17                  State, in consultation with the States, may establish  
18                  such additional standards as may be considered nec-  
19                  essary to further the purposes of this section.

20                  “(c) DESIGNATION OF UNITED STATES CENTRAL  
21                  AUTHORITY.—It shall be the responsibility of the Sec-  
22                  retary of Health and Human Services to facilitate support  
23                  enforcement in cases involving residents of the United  
24                  States and residents of foreign countries that are the sub-

1 ject of a declaration under this section, by activities in-  
2 cluding—

3 “(1) development of uniform forms and proce-  
4 dures for use in such cases;

5 “(2) notification of foreign reciprocating coun-  
6 tries of the State of residence of individuals sought  
7 for support enforcement purposes, on the basis of in-  
8 formation provided by the Federal Parent Locator  
9 Service; and

10 “(3) such other oversight, assistance, and co-  
11 ordination activities as the Secretary may find nec-  
12 essary and appropriate.

13 “(d) EFFECT ON OTHER LAWS.—States may enter  
14 into reciprocal arrangements for the establishment and en-  
15 forcement of support obligations with foreign countries  
16 that are not the subject of a declaration pursuant to sub-  
17 section (a), to the extent consistent with Federal law.”.

18 (b) STATE PLAN REQUIREMENT.—Section 454 (42  
19 U.S.C. 654), as amended by sections 301(b), 303(a),  
20 312(b), 313(a), 333, 343(b), and 370(a)(2) of this Act,  
21 is amended—

22 (1) by striking “and” at the end of paragraph  
23 (30);

24 (2) by striking the period at the end of para-  
25 graph (31) and inserting “; and”; and

1           (3) by adding after paragraph (31) the follow-  
2           ing new paragraph:

3           “(32)(A) provide that any request for services  
4           under this part by a foreign reciprocating country or  
5           a foreign country with which the State has an ar-  
6           rangement described in section 459A(d)(2) shall be  
7           treated as a request by a State;

8           “(B) provide, at State option, notwithstanding  
9           paragraph (4) or any other provision of this part,  
10          for services under the plan for enforcement of a  
11          spousal support order not described in paragraph  
12          (4)(B) entered by such a country (or subdivision);  
13          and

14          “(C) provide that no applications will be re-  
15          quired from, and no costs will be assessed for such  
16          services against, the foreign reciprocating country or  
17          foreign obligee (but costs may at State option be as-  
18          sessed against the obligor).”.

19 **SEC. 372. FINANCIAL INSTITUTION DATA MATCHES.**

20          Section 466(a) (42 U.S.C. 666(a)), as amended by  
21          sections 315, 317(a), 323, 365, and 369 of this Act, is  
22          amended by adding at the end the following new para-  
23          graph:

24                 “(17)       FINANCIAL       INSTITUTION       DATA  
25                 MATCHES.—

1           “(A) IN GENERAL.—Procedures under  
2           which the State agency shall enter into agree-  
3           ments with financial institutions doing business  
4           in the State—

5                   “(i) to develop and operate, in coordi-  
6                   nation with such financial institutions, a  
7                   data match system, using automated data  
8                   exchanges to the maximum extent feasible,  
9                   in which each such financial institution is  
10                  required to provide for each calendar quar-  
11                  ter the name, record address, social secu-  
12                  rity number or other taxpayer identifica-  
13                  tion number, and other identifying infor-  
14                  mation for each noncustodial parent who  
15                  maintains an account at such institution  
16                  and who owes past-due support, as identi-  
17                  fied by the State by name and social secu-  
18                  rity number or other taxpayer identifica-  
19                  tion number; and

20                   “(ii) in response to a notice of lien or  
21                   levy, encumber or surrender, as the case  
22                   may be, assets held by such institution on  
23                   behalf of any noncustodial parent who is  
24                   subject to a child support lien pursuant to  
25                   paragraph (4).



1           “(B) REASONABLE FEES.—The State  
 2           agency may pay a reasonable fee to a financial  
 3           institution for conducting the data match pro-  
 4           vided for in subparagraph (A)(i), not to exceed  
 5           the actual costs incurred by such financial insti-  
 6           tution.

7           “(C) LIABILITY.—A financial institution  
 8           shall not be liable under any Federal or State  
 9           law to any person—

10           “(i) for any disclosure of information  
 11           to the State agency under subparagraph  
 12           (A)(i);

13           “(ii) for encumbering or surrendering  
 14           any assets held by such financial institu-  
 15           tion in response to a notice of lien or levy  
 16           issued by the State agency as provided for  
 17           in subparagraph (A)(ii); or

18           “(iii) for any other action taken in  
 19           good faith to comply with the requirements  
 20           of subparagraph (A).

21           “(D) DEFINITIONS.—For purposes of this  
 22           paragraph—

23           “(i) FINANCIAL INSTITUTION.—The  
 24           term ‘financial institution’ has the mean-

1           ing given to such term by section  
2           469A(d)(1).

3           “(ii) ACCOUNT.—The term ‘account’  
4           means a demand deposit account, checking  
5           or negotiable withdrawal order account,  
6           savings account, time deposit account, or  
7           money-market mutual fund account.”.

8   **SEC. 373. ENFORCEMENT OF ORDERS AGAINST PATERNAL**  
9                   **OR MATERNAL GRANDPARENTS IN CASES OF**  
10                   **MINOR PARENTS.**

11       Section 466(a) (42 U.S.C. 666(a)), as amended by  
12 sections 315, 317(a), 323, 365, 369, and 372 of this Act,  
13 is amended by adding at the end the following new para-  
14 graph:

15           “(18) ENFORCEMENT OF ORDERS AGAINST PA-  
16       TERNAL OR MATERNAL GRANDPARENTS.—Proce-  
17       dures under which, at the State’s option, any child  
18       support order enforced under this part with respect  
19       to a child of minor parents, if the custodial parent  
20       of such child is receiving assistance under the State  
21       program under part A, shall be enforceable, jointly  
22       and severally, against the parents of the noncusto-  
23       dial parent of such child.”.

1 **SEC. 374. NONDISCHARGEABILITY IN BANKRUPTCY OF**  
2 **CERTAIN DEBTS FOR THE SUPPORT OF A**  
3 **CHILD.**

4 (a) AMENDMENT TO TITLE 11 OF THE UNITED  
5 STATES CODE.—Section 523(a) of title 11, United States  
6 Code, is amended—

7 (1) in paragraph (16) by striking the period at  
8 the end and inserting “; or”,

9 (2) by adding at the end the following:

10 “(17) owed under State law to a State or mu-  
11 nicipality that is—

12 “(A) in the nature of support, and

13 “(B) enforceable under part D of title IV  
14 of the Social Security Act (42 U.S.C. 601 et  
15 seq.).”, and

16 (3) in paragraph (5), by striking “section  
17 402(a)(26)” and inserting “section 408(a)(4)”.

18 (b) AMENDMENT TO THE SOCIAL SECURITY ACT.—  
19 Section 456(b) (42 U.S.C. 656(b)) is amended to read as  
20 follows:

21 “(b) NONDISCHARGEABILITY.—A debt (as defined in  
22 section 101 of title 11 of the United States Code) owed  
23 under State law to a State (as defined in such section)  
24 or municipality (as defined in such section) that is in the  
25 nature of support and that is enforceable under this part

1 is not released by a discharge in bankruptcy under title  
2 11 of the United States Code.”.

3 (c) APPLICATION OF AMENDMENTS.—The amend-  
4 ments made by this section shall apply only with respect  
5 to cases commenced under title 11 of the United States  
6 Code after the date of the enactment of this Act.

## 7 **Subtitle H—Medical Support**

### 8 **SEC. 376. CORRECTION TO ERISA DEFINITION OF MEDICAL** 9 **CHILD SUPPORT ORDER.**

10 (a) IN GENERAL.—Section 609(a)(2)(B) of the Em-  
11 ployee Retirement Income Security Act of 1974 (29  
12 U.S.C. 1169(a)(2)(B)) is amended—

13 (1) by striking “issued by a court of competent  
14 jurisdiction”;

15 (2) by striking the period at the end of clause  
16 (ii) and inserting a comma; and

17 (3) by adding, after and below clause (ii), the  
18 following:

19 “if such judgment, decree, or order (I) is issued  
20 by a court of competent jurisdiction or (II) is  
21 issued through an administrative process estab-  
22 lished under State law and has the force and ef-  
23 fect of law under applicable State law.”.

24 (b) EFFECTIVE DATE.—

1           (1) IN GENERAL.—The amendments made by  
2       this section shall take effect on the date of the en-  
3       actment of this Act.

4           (2) PLAN AMENDMENTS NOT REQUIRED UNTIL  
5       JANUARY 1, 1997.—Any amendment to a plan re-  
6       quired to be made by an amendment made by this  
7       section shall not be required to be made before the  
8       1st plan year beginning on or after January 1,  
9       1997, if—

10           (A) during the period after the date before  
11           the date of the enactment of this Act and be-  
12           fore such 1st plan year, the plan is operated in  
13           accordance with the requirements of the amend-  
14           ments made by this section; and

15           (B) such plan amendment applies retro-  
16           actively to the period after the date before the  
17           date of the enactment of this Act and before  
18           such 1st plan year.

19       A plan shall not be treated as failing to be operated  
20       in accordance with the provisions of the plan merely  
21       because it operates in accordance with this para-  
22       graph.

1 **SEC. 377. ENFORCEMENT OF ORDERS FOR HEALTH CARE**  
2 **COVERAGE.**

3 Section 466(a) (42 U.S.C. 666(a)), as amended by  
4 sections 315, 317(a), 323, 365, 369, 372, and 373 of this  
5 Act, is amended by adding at the end the following new  
6 paragraph:

7 “(19) **HEALTH CARE COVERAGE.**—Procedures  
8 under which all child support orders enforced pursu-  
9 ant to this part shall include a provision for the  
10 health care coverage of the child, and in the case in  
11 which a noncustodial parent provides such coverage  
12 and changes employment, and the new employer pro-  
13 vides health care coverage, the State agency shall  
14 transfer notice of the provision to the employer,  
15 which notice shall operate to enroll the child in the  
16 noncustodial parent’s health plan, unless the non-  
17 custodial parent contests the notice.”.

18 **Subtitle I—Enhancing Responsibility and Opportunity for Non-**  
19 **Residential Parents**  
20

21 **SEC. 381. GRANTS TO STATES FOR ACCESS AND VISITA-**  
22 **TION PROGRAMS.**

23 Part D of title IV (42 U.S.C. 651–669), as amended  
24 by section 353, is amended by adding at the end the fol-  
25 lowing new section:

1   **“SEC. 469B. GRANTS TO STATES FOR ACCESS AND VISITA-**  
2                   **TION PROGRAMS.**

3           “(a) IN GENERAL.—The Administration for Children  
4 and Families shall make grants under this section to en-  
5 able States to establish and administer programs to sup-  
6 port and facilitate noncustodial parents’ access to and visi-  
7 tation of their children, by means of activities including  
8 mediation (both voluntary and mandatory), counseling,  
9 education, development of parenting plans, visitation en-  
10 forcement (including monitoring, supervision and neutral  
11 drop-off and pickup), and development of guidelines for  
12 visitation and alternative custody arrangements.

13          “(b) AMOUNT OF GRANT.—The amount of the grant  
14 to be made to a State under this section for a fiscal year  
15 shall be an amount equal to the lesser of—

16               “(1) 90 percent of State expenditures during  
17 the fiscal year for activities described in subsection  
18 (a); or

19               “(2) the allotment of the State under sub-  
20 section (c) for the fiscal year.

21          “(c) ALLOTMENTS TO STATES.—

22               “(1) IN GENERAL.—The allotment of a State  
23 for a fiscal year is the amount that bears the same  
24 ratio to \$10,000,000 for grants under this section  
25 for the fiscal year as the number of children in the

1 State living with only 1 biological parent bears to  
2 the total number of such children in all States.

3 “(2) MINIMUM ALLOTMENT.—The Administra-  
4 tion for Children and Families shall adjust allot-  
5 ments to States under paragraph (1) as necessary to  
6 ensure that no State is allotted less than—

7 “(A) \$50,000 for fiscal year 1997 or 1998;

8 or

9 “(B) \$100,000 for any succeeding fiscal  
10 year.

11 “(d) NO SUPPLANTATION OF STATE EXPENDITURES  
12 FOR SIMILAR ACTIVITIES.—A State to which a grant is  
13 made under this section may not use the grant to supplant  
14 expenditures by the State for activities specified in sub-  
15 section (a), but shall use the grant to supplement such  
16 expenditures at a level at least equal to the level of such  
17 expenditures for fiscal year 1995.

18 “(e) STATE ADMINISTRATION.—Each State to which  
19 a grant is made under this section—

20 “(1) may administer State programs funded  
21 with the grant, directly or through grants to or con-  
22 tracts with courts, local public agencies, or non-prof-  
23 it private entities;

24 “(2) shall not be required to operate such pro-  
25 grams on a statewide basis; and



1 “(3) shall monitor, evaluate, and report on such  
 2 programs in accordance with regulations prescribed  
 3 by the Secretary.”.

## 4 **Subtitle J—Effective Dates and** 5 **Conforming Amendments**

### 6 **SEC. 391. EFFECTIVE DATES AND CONFORMING AMEND-** 7 **MENTS.**

8 (a) IN GENERAL.—Except as otherwise specifically  
 9 provided (but subject to subsections (b) and (c))—

10 (1) the provisions of this title requiring the en-  
 11 actment or amendment of State laws under section  
 12 466 of the Social Security Act, or revision of State  
 13 plans under section 454 of such Act, shall be effec-  
 14 tive with respect to periods beginning on and after  
 15 October 1, 1996; and

16 (2) all other provisions of this title shall become  
 17 effective upon the date of the enactment of this Act.

18 (b) GRACE PERIOD FOR STATE LAW CHANGES.—The  
 19 provisions of this title shall become effective with respect  
 20 to a State on the later of—

21 (1) the date specified in this title, or

22 (2) the effective date of laws enacted by the leg-  
 23 islature of such State implementing such provisions,  
 24 but in no event later than the 1st day of the 1st calendar  
 25 quarter beginning after the close of the 1st regular session

1 of the State legislature that begins after the date of the  
 2 enactment of this Act. For purposes of the previous sen-  
 3 tence, in the case of a State that has a 2-year legislative  
 4 session, each year of such session shall be deemed to be  
 5 a separate regular session of the State legislature.

6 (c) GRACE PERIOD FOR STATE CONSTITUTIONAL  
 7 AMENDMENT.—A State shall not be found out of compli-  
 8 ance with any requirement enacted by this title if the State  
 9 is unable to so comply without amending the State con-  
 10 stitution until the earlier of—

11 (1) 1 year after the effective date of the nec-  
 12 essary State constitutional amendment; or

13 (2) 5 years after the date of the enactment of  
 14 this Act.

15 (d) CONFORMING AMENDMENTS.—

16 (1) The following provisions are amended by  
 17 striking “absent” each place it appears and inserting  
 18 “noncustodial”:

19 (A) Section 451 (42 U.S.C. 651).

20 (B) Subsections (a)(1), (a)(8), (a)(10)(E),  
 21 (a)(10)(F), (f), and (h) of section 452 (42  
 22 U.S.C. 652).

23 (C) Subsections (a) and (f) of section 453  
 24 (42 U.S.C. 653).

1 (D) Paragraphs (8), (13), and (21)(A) of  
2 section 454 (42 U.S.C. 654).

3 (E) Section 455(e)(1) (42 U.S.C.  
4 655(e)(1)).

5 (F) Section 458(a) (42 U.S.C. 658(a)).

6 (G) Subsections (a), (b), and (c) of section  
7 463 (42 U.S.C. 663).

8 (H) Subsections (a)(3)(A), (a)(3)(C),  
9 (a)(6), and (a)(8)(B)(ii), the last sentence of  
10 subsection (a), and subsections (b)(1),  
11 (b)(3)(B), (b)(3)(B)(i), (b)(6)(A)(i), (b)(8),  
12 (b)(9), and (e) of section 466 (42 U.S.C. 666).

13 (2) The following provisions are amended by  
14 striking “an absent” each place it appears and in-  
15 serting “a noncustodial”:

16 (A) Paragraphs (2) and (3) of section  
17 453(c) (42 U.S.C. 653(c)).

18 (B) Subparagraphs (B) and (C) of section  
19 454(9) (42 U.S.C. 654(9)).

20 (C) Section 456(a)(3) (42 U.S.C.  
21 656(a)(3)).

22 (D) Subsections (a)(3)(A), (a)(6),  
23 (a)(8)(B)(i), (b)(3)(A), and (b)(3)(B) of section  
24 466 (42 U.S.C. 666).

1 (E) Paragraphs (2) and (4) of section 469  
2 (42 U.S.C. 669).

3 **TITLE IV—RESTRICTING WEL-**  
4 **FARE AND PUBLIC BENEFITS**  
5 **FOR ALIENS**

6 **SEC. 400. STATEMENTS OF NATIONAL POLICY CONCERNING**  
7 **WELFARE AND IMMIGRATION.**

8 The Congress makes the following statements con-  
9 cerning national policy with respect to welfare and immi-  
10 gration:

11 (1) Self-sufficiency has been a basic principle of  
12 United States immigration law since this country's  
13 earliest immigration statutes.

14 (2) It continues to be the immigration policy of  
15 the United States that—

16 (A) aliens within the nation's borders not  
17 depend on public resources to meet their needs,  
18 but rather rely on their own capabilities and the  
19 resources of their families, their sponsors, and  
20 private organizations, and

21 (B) the availability of public benefits not  
22 constitute an incentive for immigration to the  
23 United States.

24 (3) Despite the principle of self-sufficiency,  
25 aliens have been applying for and receiving public

1       benefits from Federal, State, and local governments  
2       at increasing rates.

3           (4) Current eligibility rules for public assistance  
4       and unenforceable financial support agreements have  
5       proved wholly incapable of assuring that individual  
6       aliens not burden the public benefits system.

7           (5) It is a compelling government interest to  
8       enact new rules for eligibility and sponsorship agree-  
9       ments in order to assure that aliens be self-reliant  
10      in accordance with national immigration policy.

11          (6) It is a compelling government interest to re-  
12      move the incentive for illegal immigration provided  
13      by the availability of public benefits.

14          (7) With respect to the State authority to make  
15      determinations concerning the eligibility of qualified  
16      aliens for public benefits in this title, a State that  
17      chooses to follow the Federal classification in deter-  
18      mining the eligibility of such aliens for public assist-  
19      ance shall be considered to have chosen the least re-  
20      strictive means available for achieving the compelling  
21      governmental interest of assuring that aliens be self-  
22      reliant in accordance with national immigration pol-  
23      icy.

1     **Subtitle A—Eligibility for Federal**  
2                     **Benefits**

3     **SEC. 401. ALIENS WHO ARE NOT QUALIFIED ALIENS INELI-**  
4                     **GIBLE FOR FEDERAL PUBLIC BENEFITS.**

5             (a) IN GENERAL.—Notwithstanding any other provi-  
6     sion of law and except as provided in subsection (b), an  
7     alien who is not a qualified alien (as defined in section  
8     431) is not eligible for any Federal public benefit (as de-  
9     fined in subsection (c)).

10            (b) EXCEPTIONS.—

11                (1) Subsection (a) shall not apply with respect  
12     to the following Federal public benefits:

13                    (A) Emergency medical services under title  
14     XIX or XXI of the Social Security Act.

15                    (B) Short-term, non-cash, in-kind emer-  
16     gency disaster relief.

17                    (C)(i) Public health assistance for immuni-  
18     zations.

19                    (ii) Public health assistance for testing and  
20     treatment of a serious communicable disease if  
21     the Secretary of Health and Human Services  
22     determines that it is necessary to prevent the  
23     spread of such disease.

24                    (D) Programs, services, or assistance (such  
25     as soup kitchens, crisis counseling and interven-

tion, and short-term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which (i) deliver in-kind services at the community level, including through public or private nonprofit agencies; (ii) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (iii) are necessary for the protection of life or safety.

(E) Programs for housing or community development assistance or financial assistance administered by the Secretary of Housing and Urban Development, any program under title V of the Housing Act of 1949, or any assistance under section 306C of the Consolidated Farm and Rural Development Act, to the extent that the alien is receiving such a benefit on the date of the enactment of this Act.

(2) Subsection (a) shall not apply to any benefit payable under title II of the Social Security Act to an alien who is lawfully present in the United States as determined by the Attorney General, to any bene-

1 fit if nonpayment of such benefit would contravene  
2 an international agreement described in section 233  
3 of the Social Security Act, to any benefit if nonpay-  
4 ment would be contrary to section 202(t) of the So-  
5 cial Security Act, or to any benefit payable under  
6 title II of the Social Security Act to which entitle-  
7 ment is based on an application filed in or before the  
8 month in which this Act becomes law.

9 (c) FEDERAL PUBLIC BENEFIT DEFINED.—

10 (1) Except as provided in paragraph (2), for  
11 purposes of this title the term “Federal public bene-  
12 fit” means—

13 (A) any grant, contract, loan, professional  
14 license, or commercial license provided by an  
15 agency of the United States or by appropriated  
16 funds of the United States; and

17 (B) any retirement, welfare, health, dis-  
18 ability, public or assisted housing, postsecond-  
19 ary education, food assistance, unemployment  
20 benefit, or any other similar benefit for which  
21 payments or assistance are provided to an indi-  
22 vidual, household, or family eligibility unit by  
23 an agency of the United States or by appro-  
24 priated funds of the United States.

25 (2) Such term shall not apply—



1 (A) to any contract, professional license, or  
2 commercial license for a nonimmigrant whose  
3 visa for entry is related to such employment in  
4 the United States; or

5 (B) with respect to benefits for an alien  
6 who as a work authorized nonimmigrant or as  
7 an alien lawfully admitted for permanent resi-  
8 dence under the Immigration and Nationality  
9 Act qualified for such benefits and for whom  
10 the United States under reciprocal treaty agree-  
11 ments is required to pay benefits, as determined  
12 by the Attorney General, after consultation with  
13 the Secretary of State.

14 **SEC. 402. LIMITED ELIGIBILITY OF QUALIFIED ALIENS FOR**  
15 **CERTAIN FEDERAL PROGRAMS.**

16 (a) LIMITED ELIGIBILITY FOR SPECIFIED FEDERAL  
17 PROGRAMS.—

18 (1) IN GENERAL.—Notwithstanding any other  
19 provision of law and except as provided in paragraph  
20 (2), an alien who is a qualified alien (as defined in  
21 section 431) is not eligible for any specified Federal  
22 program (as defined in paragraph (3)).

23 (2) EXCEPTIONS.—

1 (A) TIME-LIMITED EXCEPTION FOR REFU-  
2 GEES AND ASYLEES.—Paragraph (1) shall not  
3 apply to an alien until 5 years after the date—

4 (i) an alien is admitted to the United  
5 States as a refugee under section 207 of  
6 the Immigration and Nationality Act;

7 (ii) an alien is granted asylum under  
8 section 208 of such Act; or

9 (iii) an alien's deportation is withheld  
10 under section 243(h) of such Act.

11 (B) CERTAIN PERMANENT RESIDENT  
12 ALIENS.—Paragraph (1) shall not apply to an  
13 alien who—

14 (i) is lawfully admitted to the United  
15 States for permanent residence under the  
16 Immigration and Nationality Act; and

17 (ii)(I) has worked 40 qualifying quar-  
18 ters of coverage as defined under title II of  
19 the Social Security Act or can be credited  
20 with such qualifying quarters as provided  
21 under section 435, and (II) did not receive  
22 any Federal means-tested public benefit  
23 (as defined in section 403(c)) during any  
24 such quarter.

1 (C) VETERAN AND ACTIVE DUTY EXCEP-  
2 TION.—Paragraph (1) shall not apply to an  
3 alien who is lawfully residing in any State and  
4 is—

5 (i) a veteran (as defined in section  
6 101 of title 38, United States Code) with  
7 a discharge characterized as an honorable  
8 discharge and not on account of alienage,

9 (ii) on active duty (other than active  
10 duty for training) in the Armed Forces of  
11 the United States, or

12 (iii) the spouse or unmarried depend-  
13 ent child of an individual described in  
14 clause (i) or (ii).

15 (D) TRANSITION FOR ALIENS CURRENTLY  
16 RECEIVING BENEFITS.—

17 (i) SSI.—

18 (I) IN GENERAL.—With respect  
19 to the specified Federal program de-  
20 scribed in paragraph (3)(A), during  
21 the period beginning on the date of  
22 the enactment of this Act and ending  
23 on the date which is 1 year after such  
24 date of enactment, the Commissioner  
25 of Social Security shall redetermine

1 the eligibility of any individual who is  
2 receiving benefits under such program  
3 as of the date of the enactment of this  
4 Act and whose eligibility for such ben-  
5 efits may terminate by reason of the  
6 provisions of this subsection.

7 (II) REDETERMINATION CRI-  
8 TERIA.— With respect to any redeter-  
9 mination under subclause (I), the  
10 Commissioner of Social Security shall  
11 apply the eligibility criteria for new  
12 applicants for benefits under such  
13 program.

14 (III) GRANDFATHER PROVI-  
15 SION.—The provisions of this sub-  
16 section and the redetermination under  
17 subclause (I), shall only apply with re-  
18 spect to the benefits of an individual  
19 described in subclause (I) for months  
20 beginning on or after the date of the  
21 redetermination with respect to such  
22 individual.

23 (IV) NOTICE.—Not later than  
24 January 1, 1997, the Commissioner of  
25 Social Security shall notify an individ-

1 ual described in subclause (I) of the  
2 provisions of this clause.

3 (ii) FOOD STAMPS.—

4 (I) IN GENERAL.—With respect  
5 to the specified Federal program de-  
6 scribed in paragraph (3)(B), during  
7 the period beginning on the date of  
8 enactment of this Act and ending on  
9 the date which is 1 year after the date  
10 of enactment, the State agency shall,  
11 at the time of the recertification, re-  
12 certify the eligibility of any individual  
13 who is receiving benefits under such  
14 program as of the date of enactment  
15 of this Act and whose eligibility for  
16 such benefits may terminate by reason  
17 of the provisions of this subsection.

18 (II) RECERTIFICATION CRI-  
19 TERIA.—With respect to any recertifi-  
20 cation under subclause (I), the State  
21 agency shall apply the eligibility cri-  
22 teria for applicants for benefits under  
23 such program.

24 (III) GRANDFATHER PROVI-  
25 SION.—The provisions of this sub-

1 section and the recertification under  
2 subclause (I) shall only apply with re-  
3 spect to the eligibility of an alien for  
4 a program for months beginning on or  
5 after the date of recertification, if on  
6 the date of enactment of this Act the  
7 alien is lawfully residing in any State  
8 and is receiving benefits under such  
9 program on such date of enactment.

10 (3) SPECIFIED FEDERAL PROGRAM DEFINED.—

11 For purposes of this title, the term “specified Fed-  
12 eral program” means any of the following:

13 (A) SSI.—The supplemental security in-  
14 come program under title XVI of the Social Se-  
15 curity Act, including supplementary payments  
16 pursuant to an agreement for Federal adminis-  
17 tration under section 1616(a) of the Social Se-  
18 curity Act and payments pursuant to an agree-  
19 ment entered into under section 212(b) of Pub-  
20 lic Law 93–66.

21 (B) FOOD STAMPS.—The food stamp pro-  
22 gram as defined in section 3(h) of the Food  
23 Stamp Act of 1977.

24 (b) LIMITED ELIGIBILITY FOR DESIGNATED FED-  
25 ERAL PROGRAMS.—

1           (1) IN GENERAL.—Notwithstanding any other  
2       provision of law and except as provided in section  
3       403 and paragraph (2), a State is authorized to de-  
4       termine the eligibility of an alien who is a qualified  
5       alien (as defined in section 431) for any designated  
6       Federal program (as defined in paragraph (3)).

7           (2) EXCEPTIONS.—Qualified aliens under this  
8       paragraph shall be eligible for any designated Fed-  
9       eral program.

10           (A) TIME-LIMITED EXCEPTION FOR REFU-  
11       GEES AND ASYLEES.—

12           (i) An alien who is admitted to the  
13       United States as a refugee under section  
14       207 of the Immigration and Nationality  
15       Act until 5 years after the date of an  
16       alien's entry into the United States.

17           (ii) An alien who is granted asylum  
18       under section 208 of such Act until 5 years  
19       after the date of such grant of asylum.

20           (iii) An alien whose deportation is  
21       being withheld under section 243(h) of  
22       such Act until 5 years after such withhold-  
23       ing.

24           (B) CERTAIN PERMANENT RESIDENT  
25       ALIENS.—An alien who—

1 (i) is lawfully admitted to the United  
2 States for permanent residence under the  
3 Immigration and Nationality Act; and

4 (ii)(I) has worked 40 qualifying quar-  
5 ters of coverage as defined under title II of  
6 the Social Security Act or can be credited  
7 with such qualifying quarters as provided  
8 under section 435, and (II) did not receive  
9 any Federal means-tested public benefit  
10 (as defined in section 403(c)) during any  
11 such quarter.

12 (C) VETERAN AND ACTIVE DUTY EXCEP-  
13 TION.—An alien who is lawfully residing in any  
14 State and is—

15 (i) a veteran (as defined in section  
16 101 of title 38, United States Code) with  
17 a discharge characterized as an honorable  
18 discharge and not on account of alienage,

19 (ii) on active duty (other than active  
20 duty for training) in the Armed Forces of  
21 the United States, or

22 (iii) the spouse or unmarried depend-  
23 ent child of an individual described in  
24 clause (i) or (ii).



1           (D) TRANSITION FOR THOSE CURRENTLY  
2 RECEIVING BENEFITS.—An alien who on the  
3 date of the enactment of this Act is lawfully re-  
4 siding in any State and is receiving benefits  
5 under such program on the date of the enact-  
6 ment of this Act shall continue to be eligible to  
7 receive such benefits until January 1, 1997.

8           (3) DESIGNATED FEDERAL PROGRAM DE-  
9 FINED.—For purposes of this title, the term “des-  
10 ignated Federal program” means any of the follow-  
11 ing:

12           (A) TEMPORARY ASSISTANCE FOR NEEDY  
13 FAMILIES.—The program of block grants to  
14 States for temporary assistance for needy fami-  
15 lies under part A of title IV of the Social Secu-  
16 rity Act.

17           (B) SOCIAL SERVICES BLOCK GRANT.—  
18 The program of block grants to States for so-  
19 cial services under title XX of the Social Secu-  
20 rity Act.

21           (C) MEDICAID.—The program of medical  
22 assistance under title XV and XIX of the Social  
23 Security Act.

1 **SEC. 403. FIVE-YEAR LIMITED ELIGIBILITY OF QUALIFIED**  
2 **ALIENS FOR FEDERAL MEANS-TESTED PUB-**  
3 **LIC BENEFIT.**

4 (a) IN GENERAL.—Notwithstanding any other provi-  
5 sion of law and except as provided in subsection (b), an  
6 alien who is a qualified alien (as defined in section 431)  
7 and who enters the United States on or after the date  
8 of the enactment of this Act is not eligible for any Federal  
9 means-tested public benefit (as defined in subsection (c))  
10 for a period of five years beginning on the date of the  
11 alien’s entry into the United States with a status within  
12 the meaning of the term “qualified alien”.

13 (b) EXCEPTIONS.—The limitation under subsection  
14 (a) shall not apply to the following aliens:

15 (1) EXCEPTION FOR REFUGEES AND  
16 ASYLEES.—

17 (A) An alien who is admitted to the United  
18 States as a refugee under section 207 of the  
19 Immigration and Nationality Act.

20 (B) An alien who is granted asylum under  
21 section 208 of such Act.

22 (C) An alien whose deportation is being  
23 withheld under section 243(h) of such Act.

24 (2) VETERAN AND ACTIVE DUTY EXCEPTION.—  
25 An alien who is lawfully residing in any State and  
26 is—

1 (A) a veteran (as defined in section 101 of  
2 title 38, United States Code) with a discharge  
3 characterized as an honorable discharge and not  
4 on account of alienage,

5 (B) on active duty (other than active duty  
6 for training) in the Armed Forces of the United  
7 States, or

8 (C) the spouse or unmarried dependent  
9 child of an individual described in subparagraph  
10 (A) or (B).

11 (c) FEDERAL MEANS-TESTED PUBLIC BENEFIT DE-  
12 FINED.—

13 (1) Except as provided in paragraph (2), for  
14 purposes of this title, the term “Federal means-test-  
15 ed public benefit” means a public benefit (including  
16 cash, medical, housing, and food assistance and so-  
17 cial services) of the Federal Government in which  
18 the eligibility of an individual, household, or family  
19 eligibility unit for benefits, or the amount of such  
20 benefits, or both are determined on the basis of in-  
21 come, resources, or financial need of the individual,  
22 household, or unit.

23 (2) Such term does not include the following:

24 (A) Emergency medical services under title  
25 XV or XIX of the Social Security Act.

1           (B) Short-term, non-cash, in-kind emer-  
2           gency disaster relief.

3           (C) Assistance or benefits under the Na-  
4           tional School Lunch Act.

5           (D) Assistance or benefits under the Child  
6           Nutrition Act of 1966.

7           (E)(i) Public health assistance for immuni-  
8           zations.

9           (ii) Public health assistance for testing and  
10          treatment of a serious communicable disease if  
11          the Secretary of Health and Human Services  
12          determines that it is necessary to prevent the  
13          spread of such disease.

14          (F) Payments for foster care and adoption  
15          assistance under part B of title IV of the Social  
16          Security Act for a child who would, in the ab-  
17          sence of subsection (a), be eligible to have such  
18          payments made on the child's behalf under such  
19          part, but only if the foster or adoptive parent  
20          or parents of such child are not described under  
21          subsection (a).

22          (G) Programs, services, or assistance (such  
23          as soup kitchens, crisis counseling and interven-  
24          tion, and short-term shelter) specified by the  
25          Attorney General, in the Attorney General's

1           sole and unreviewable discretion after consulta-  
 2           tion with appropriate Federal agencies and de-  
 3           partments, which (i) deliver in-kind services at  
 4           the community level, including through public  
 5           or private nonprofit agencies; (ii) do not condi-  
 6           tion the provision of assistance, the amount of  
 7           assistance provided, or the cost of assistance  
 8           provided on the individual recipient's income or  
 9           resources; and (iii) are necessary for the protec-  
 10          tion of life or safety.

11                   (H) Programs of student assistance under  
 12           titles IV, V, IX, and X of the Higher Education  
 13           Act of 1965.

14                   (I) Means-tested programs under the Ele-  
 15           mentary and Secondary Education Act of 1965.

16 **SEC. 404. NOTIFICATION AND INFORMATION REPORTING.**

17           (a) NOTIFICATION.—Each Federal agency that ad-  
 18           ministers a program to which section 401, 402, or 403  
 19           applies shall, directly or through the States, post informa-  
 20           tion and provide general notification to the public and to  
 21           program recipients of the changes regarding eligibility for  
 22           any such program pursuant to this subtitle.

23           (b) INFORMATION REPORTING UNDER TITLE IV OF  
 24           THE SOCIAL SECURITY ACT.—Part A of title IV of the  
 25           Social Security Act, as amended by section 103(a) of this

1 Act, is amended by inserting the following new section  
2 after section 411:

3 **“SEC. 411A. STATE REQUIRED TO PROVIDE CERTAIN INFOR-**  
4 **MATION.**

5 “Each State to which a grant is made under section  
6 403 shall, at least 4 times annually and upon request of  
7 the Immigration and Naturalization Service, furnish the  
8 Immigration and Naturalization Service with the name  
9 and address of, and other identifying information on, any  
10 individual who the State knows is unlawfully in the United  
11 States.”.

12 (c) SSI.—Section 1631(e) of such Act (42 U.S.C.  
13 1383(e)) is amended—

14 (1) by redesignating the paragraphs (6) and (7)  
15 inserted by sections 206(d)(2) and 206(f)(1) of the  
16 Social Security Independence and Programs Im-  
17 provement Act of 1994 (Public Law 103–296; 108  
18 Stat. 1514, 1515) as paragraphs (7) and (8), re-  
19 spectively; and

20 (2) by adding at the end the following new  
21 paragraph:

22 “(9) Notwithstanding any other provision of  
23 law, the Commissioner shall, at least 4 times annu-  
24 ally and upon request of the Immigration and Natu-  
25 ralization Service (hereafter in this paragraph re-

1       ferred to as the ‘Service’), furnish the Service with  
2       the name and address of, and other identifying in-  
3       formation on, any individual who the Commissioner  
4       knows is unlawfully in the United States, and shall  
5       ensure that each agreement entered into under sec-  
6       tion 1616(a) with a State provides that the State  
7       shall furnish such information at such times with re-  
8       spect to any individual who the State knows is un-  
9       lawfully in the United States.”.

10       (d) INFORMATION REPORTING FOR HOUSING PRO-  
11       GRAMS.—Title I of the United States Housing Act of 1937  
12       (42 U.S.C. 1437 et seq.) is amended by adding at the end  
13       the following new section:

14       **“SEC. 27. PROVISION OF INFORMATION TO LAW ENFORCE-**  
15       **MENT AND OTHER AGENCIES.**

16       “Notwithstanding any other provision of law, the Sec-  
17       retary shall, at least 4 times annually and upon request  
18       of the Immigration and Naturalization Service (hereafter  
19       in this section referred to as the ‘Service’), furnish the  
20       Service with the name and address of, and other identify-  
21       ing information on, any individual who the Secretary  
22       knows is unlawfully in the United States, and shall ensure  
23       that each contract for assistance entered into under sec-  
24       tion 6 or 8 of this Act with a public housing agency pro-  
25       vides that the public housing agency shall furnish such

1 information at such times with respect to any individual  
 2 who the public housing agency knows is unlawfully in the  
 3 United States.”.

4 **Subtitle B—Eligibility for State**  
 5 **and Local Public Benefits Pro-**  
 6 **grams**

7 **SEC. 411. ALIENS WHO ARE NOT QUALIFIED ALIENS OR**  
 8 **NONIMMIGRANTS INELIGIBLE FOR STATE**  
 9 **AND LOCAL PUBLIC BENEFITS.**

10 (a) IN GENERAL.—Notwithstanding any other provi-  
 11 sion of law and except as provided in subsections (b) and  
 12 (d), an alien who is not—

13 (1) a qualified alien (as defined in section 431),

14 (2) a nonimmigrant under the Immigration and  
 15 Nationality Act, or

16 (3) an alien who is paroled into the United  
 17 States under section 212(d)(5) of such Act for less  
 18 than one year,

19 is not eligible for any State or local public benefit (as de-  
 20 fined in subsection (c)).

21 (b) EXCEPTIONS.—Subsection (a) shall not apply  
 22 with respect to the following State or local public benefits:

23 (1) Emergency medical services under title XV  
 24 or XIX of the Social Security Act.



1           (2) Short-term, non-cash, in-kind emergency  
2 disaster relief.

3           (3)(A) Public health assistance for immuniza-  
4 tions.

5           (B) Public health assistance for testing and  
6 treatment of a serious communicable disease if the  
7 Secretary of Health and Human Services determines  
8 that it is necessary to prevent the spread of such  
9 disease.

10          (4) Programs, services, or assistance (such as  
11 soup kitchens, crisis counseling and intervention,  
12 and short-term shelter) specified by the Attorney  
13 General, in the Attorney General's sole and  
14 unreviewable discretion after consultation with ap-  
15 propriate Federal agencies and departments, which  
16 (A) deliver in-kind services at the community level,  
17 including through public or private nonprofit agen-  
18 cies; (B) do not condition the provision of assistance,  
19 the amount of assistance provided, or the cost of as-  
20 sistance provided on the individual recipient's in-  
21 come or resources; and (C) are necessary for the  
22 protection of life or safety.

23          (c) STATE OR LOCAL PUBLIC BENEFIT DEFINED.—

1           (1) Except as provided in paragraph (2), for  
2           purposes of this subtitle the term “State or local  
3           public benefit” means—

4                   (A) any grant, contract, loan, professional  
5                   license, or commercial license provided by an  
6                   agency of a State or local government or by ap-  
7                   propriated funds of a State or local govern-  
8                   ment; and

9                   (B) any retirement, welfare, health, dis-  
10                  ability, public or assisted housing, postsecond-  
11                  ary education, food assistance, unemployment  
12                  benefit, or any other similar benefit for which  
13                  payments or assistance are provided to an indi-  
14                  vidual, household, or family eligibility unit by  
15                  an agency of a State or local government or by  
16                  appropriated funds of a State or local govern-  
17                  ment.

18          (2) Such term shall not apply—

19                   (A) to any contract, professional license, or  
20                   commercial license for a nonimmigrant whose  
21                   visa for entry is related to such employment in  
22                   the United States; or

23                   (B) with respect to benefits for an alien  
24                   who as a work authorized nonimmigrant or as  
25                   an alien lawfully admitted for permanent resi-

1           dence under the Immigration and Nationality  
2           Act qualified for such benefits and for whom  
3           the United States under reciprocal treaty agree-  
4           ments is required to pay benefits, as determined  
5           by the Secretary of State, after consultation  
6           with the Attorney General.

7           (d) STATE AUTHORITY TO PROVIDE FOR ELIGI-  
8           BILITY OF ILLEGAL ALIENS FOR STATE AND LOCAL PUB-  
9           LIC BENEFITS.—A State may provide that an alien who  
10          is not lawfully present in the United States is eligible for  
11          any State or local public benefit for which such alien would  
12          otherwise be ineligible under subsection (a) only through  
13          the enactment of a State law after the date of the enact-  
14          ment of this Act which affirmatively provides for such eli-  
15          gibility.

16   **SEC. 412. STATE AUTHORITY TO LIMIT ELIGIBILITY OF**  
17                           **QUALIFIED ALIENS FOR STATE PUBLIC BENE-**  
18                           **FITS.**

19          (a) IN GENERAL.—Notwithstanding any other provi-  
20          sion of law and except as provided in subsection (b), a  
21          State is authorized to determine the eligibility for any  
22          State public benefits (as defined in subsection (c) of an  
23          alien who is a qualified alien (as defined in section 431),  
24          a nonimmigrant under the Immigration and Nationality

1 Act, or an alien who is paroled into the United States  
2 under section 212(d)(5) of such Act for less than one year.

3 (b) EXCEPTIONS.—Qualified aliens under this sub-  
4 section shall be eligible for any State public benefits.

5 (1) TIME-LIMITED EXCEPTION FOR REFUGEES  
6 AND ASYLEES.—

7 (A) An alien who is admitted to the United  
8 States as a refugee under section 207 of the  
9 Immigration and Nationality Act until 5 years  
10 after the date of an alien's entry into the Unit-  
11 ed States.

12 (B) An alien who is granted asylum under  
13 section 208 of such Act until 5 years after the  
14 date of such grant of asylum.

15 (C) An alien whose deportation is being  
16 withheld under section 243(h) of such Act until  
17 5 years after such withholding.

18 (2) CERTAIN PERMANENT RESIDENT ALIENS.—

19 An alien who—

20 (A) is lawfully admitted to the United  
21 States for permanent residence under the Im-  
22 migration and Nationality Act; and

23 (B)(i) has worked 40 qualifying quarters  
24 of coverage as defined under title II of the So-  
25 cial Security Act or can be credited with such

1           qualifying quarters as provided under section  
2           435, and (ii) did not receive any Federal  
3           means-tested public benefit (as defined in sec-  
4           tion 403(c)) during any such quarter.

5           (3) VETERAN AND ACTIVE DUTY EXCEPTION.—

6           An alien who is lawfully residing in any State and  
7           is—

8                   (A) a veteran (as defined in section 101 of  
9                   title 38, United States Code) with a discharge  
10                  characterized as an honorable discharge and not  
11                  on account of alienage,

12                  (B) on active duty (other than active duty  
13                  for training) in the Armed Forces of the United  
14                  States, or

15                  (C) the spouse or unmarried dependent  
16                  child of an individual described in subparagraph  
17                  (A) or (B).

18           (4) TRANSITION FOR THOSE CURRENTLY RE-  
19           CEIVING BENEFITS.—An alien who on the date of  
20           the enactment of this Act is lawfully residing in any  
21           State and is receiving benefits on the date of the en-  
22           actment of this Act shall continue to be eligible to  
23           receive such benefits until January 1, 1997.

24           (c) STATE PUBLIC BENEFITS DEFINED.—The term  
25           “State public benefits” means any means-tested public

1 benefit of a State or political subdivision of a State under  
2 which the State or political subdivision specifies the stand-  
3 ards for eligibility, and does not include any Federal public  
4 benefit.

5 **Subtitle C—Attribution of Income**  
6 **and Affidavits of Support**

7 **SEC. 421. FEDERAL ATTRIBUTION OF SPONSOR'S INCOME**  
8 **AND RESOURCES TO ALIEN.**

9 (a) IN GENERAL.—Notwithstanding any other provi-  
10 sion of law, in determining the eligibility and the amount  
11 of benefits of an alien for any Federal means-tested public  
12 benefits program (as defined in section 403(c)), the in-  
13 come and resources of the alien shall be deemed to include  
14 the following:

15 (1) The income and resources of any person  
16 who executed an affidavit of support pursuant to  
17 section 213A of the Immigration and Nationality  
18 Act (as added by section 423) on behalf of such  
19 alien.

20 (2) The income and resources of the spouse (if  
21 any) of the person.

22 (b) APPLICATION.—Subsection (a) shall apply with  
23 respect to an alien until such time as the alien—

1           (1) achieves United States citizenship through  
2           naturalization pursuant to chapter 2 of title III of  
3           the Immigration and Nationality Act; or

4           (2)(A) has worked 40 qualifying quarters of  
5           coverage as defined under title II of the Social Secu-  
6           rity Act or can be credited with such qualifying  
7           quarters as provided under section 435, and (B) did  
8           not receive any Federal means-tested public benefit  
9           (as defined in section 403(c)) during any such quar-  
10          ter.

11          (c) REVIEW OF INCOME AND RESOURCES OF ALIEN  
12          UPON REAPPLICATION.—Whenever an alien is required to  
13          reapply for benefits under any Federal means-tested pub-  
14          lic benefits program, the applicable agency shall review the  
15          income and resources attributed to the alien under sub-  
16          section (a).

17          (d) APPLICATION.—

18               (1) If on the date of the enactment of this Act,  
19               a Federal means-tested public benefits program at-  
20               tributes a sponsor's income and resources to an alien  
21               in determining the alien's eligibility and the amount  
22               of benefits for an alien, this section shall apply to  
23               any such determination beginning on the day after  
24               the date of the enactment of this Act.

1           (2) If on the date of the enactment of this Act,  
2           a Federal means-tested public benefits program does  
3           not attribute a sponsor's income and resources to an  
4           alien in determining the alien's eligibility and the  
5           amount of benefits for an alien, this section shall  
6           apply to any such determination beginning 180 days  
7           after the date of the enactment of this Act.

8   **SEC. 422. AUTHORITY FOR STATES TO PROVIDE FOR ATTRI-**  
9                           **BUTION OF SPONSORS INCOME AND RE-**  
10                          **SOURCES TO THE ALIEN WITH RESPECT TO**  
11                          **STATE PROGRAMS.**

12       (a) OPTIONAL APPLICATION TO STATE PROGRAMS.—  
13   Except as provided in subsection (b), in determining the  
14   eligibility and the amount of benefits of an alien for any  
15   State public benefits (as defined in section 412(c)), the  
16   State or political subdivision that offers the benefits is au-  
17   thorized to provide that the income and resources of the  
18   alien shall be deemed to include—

19           (1) the income and resources of any individual  
20       who executed an affidavit of support pursuant to  
21       section 213A of the Immigration and Nationality  
22       Act (as added by section 423) on behalf of such  
23       alien, and

24           (2) the income and resources of the spouse (if  
25       any) of the individual.



1 (b) EXCEPTIONS.—Subsection (a) shall not apply  
2 with respect to the following State public benefits:

3 (1) Emergency medical services.

4 (2) Short-term, non-cash, in-kind emergency  
5 disaster relief.

6 (3) Programs comparable to assistance or bene-  
7 fits under the National School Lunch Act.

8 (4) Programs comparable to assistance or bene-  
9 fits under the Child Nutrition Act of 1966.

10 (5)(A) Public health assistance for immuniza-  
11 tions.

12 (B) Public health assistance for testing and  
13 treatment of a serious communicable disease if the  
14 appropriate chief State health official determines  
15 that it is necessary to prevent the spread of such  
16 disease.

17 (6) Payments for foster care and adoption as-  
18 sistance.

19 (7) Programs, services, or assistance (such as  
20 soup kitchens, crisis counseling and intervention,  
21 and short-term shelter) specified by the Attorney  
22 General of a State, after consultation with appro-  
23 priate agencies and departments, which (A) deliver  
24 in-kind services at the community level, including  
25 through public or private nonprofit agencies; (B) do

1 not condition the provision of assistance, the amount  
 2 of assistance provided, or the cost of assistance pro-  
 3 vided on the individual recipient's income or re-  
 4 sources; and (C) are necessary for the protection of  
 5 life or safety.

6 **SEC. 423. REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF**  
 7 **SUPPORT.**

8 (a) IN GENERAL.—Title II of the Immigration and  
 9 Nationality Act is amended by inserting after section 213  
 10 the following new section:

11 “REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT

12 “SEC. 213A. (a) ENFORCEABILITY.—(1) No affidavit  
 13 of support may be accepted by the Attorney General or  
 14 by any consular officer to establish that an alien is not  
 15 excludable as a public charge under section 212(a)(4) un-  
 16 less such affidavit is executed as a contract—

17 “(A) which is legally enforceable against the  
 18 sponsor by the sponsored alien, the Federal Govern-  
 19 ment, and by any State (or any political subdivision  
 20 of such State) which provides any means-tested pub-  
 21 lic benefits program, but not later than 10 years  
 22 after the alien last receives any such benefit;

23 “(B) in which the sponsor agrees to financially  
 24 support the alien, so that the alien will not become  
 25 a public charge; and

1           “(C) in which the sponsor agrees to submit to  
2           the jurisdiction of any Federal or State court for the  
3           purpose of actions brought under subsection (e)(2).

4           “(2) A contract under paragraph (1) shall be enforce-  
5           able with respect to benefits provided to the alien until  
6           such time as the alien achieves United States citizenship  
7           through naturalization pursuant to chapter 2 of title III.

8           “(b) FORMS.—Not later than 90 days after the date  
9           of enactment of this section, the Attorney General, in con-  
10          sultation with the Secretary of State and the Secretary  
11          of Health and Human Services, shall formulate an affida-  
12          vit of support consistent with the provisions of this sec-  
13          tion.

14          “(c) REMEDIES.—Remedies available to enforce an  
15          affidavit of support under this section include any or all  
16          of the remedies described in section 3201, 3203, 3204,  
17          or 3205 of title 28, United States Code, as well as an  
18          order for specific performance and payment of legal fees  
19          and other costs of collection, and include corresponding  
20          remedies available under State law. A Federal agency may  
21          seek to collect amounts owed under this section in accord-  
22          ance with the provisions of subchapter II of chapter 37  
23          of title 31, United States Code.

24          “(d) NOTIFICATION OF CHANGE OF ADDRESS.—

1           (1) IN GENERAL.—The sponsor shall notify the  
2       Attorney General and the State in which the spon-  
3       sored alien is currently resident within 30 days of  
4       any change of address of the sponsor during the pe-  
5       riod specified in subsection (a)(2).

6           (2) PENALTY.—Any person subject to the re-  
7       quirement of paragraph (1) who fails to satisfy such  
8       requirement shall be subject to a civil penalty of—

9                   (A) not less than \$250 or more than  
10                 \$2,000, or

11                   (B) if such failure occurs with knowledge  
12                 that the alien has received any means-tested  
13                 public benefit, not less than \$2,000 or more  
14                 than \$5,000.

15       “(e) REIMBURSEMENT OF GOVERNMENT EX-  
16   PENSES.—(1)(A) Upon notification that a sponsored alien  
17   has received any benefit under any means-tested public  
18   benefits program, the appropriate Federal, State, or local  
19   official shall request reimbursement by the sponsor in the  
20   amount of such assistance.

21       “(B) The Attorney General, in consultation with the  
22   Secretary of Health and Human Services, shall prescribe  
23   such regulations as may be necessary to carry out sub-  
24   paragraph (A).

1       “(2) If within 45 days after requesting reimburse-  
2 ment, the appropriate Federal, State, or local agency has  
3 not received a response from the sponsor indicating a will-  
4 ingness to commence payments, an action may be brought  
5 against the sponsor pursuant to the affidavit of support.

6       “(3) If the sponsor fails to abide by the repayment  
7 terms established by such agency, the agency may, within  
8 60 days of such failure, bring an action against the spon-  
9 sor pursuant to the affidavit of support.

10       “(4) No cause of action may be brought under this  
11 subsection later than 10 years after the alien last received  
12 any benefit under any means-tested public benefits pro-  
13 gram.

14       “(5) If, pursuant to the terms of this subsection, a  
15 Federal, State, or local agency requests reimbursement  
16 from the sponsor in the amount of assistance provided,  
17 or brings an action against the sponsor pursuant to the  
18 affidavit of support, the appropriate agency may appoint  
19 or hire an individual or other person to act on behalf of  
20 such agency acting under the authority of law for purposes  
21 of collecting any moneys owed. Nothing in this subsection  
22 shall preclude any appropriate Federal, State, or local  
23 agency from directly requesting reimbursement from a  
24 sponsor for the amount of assistance provided, or from

1 bringing an action against a sponsor pursuant to an affi-  
2 davit of support.

3 “(f) DEFINITIONS.—For the purposes of this sec-  
4 tion—

5 “(1) SPONSOR.—The term ‘sponsor’ means an  
6 individual who—

7 “(A) is a citizen or national of the United  
8 States or an alien who is lawfully admitted to  
9 the United States for permanent residence;

10 “(B) is 18 years of age or over;

11 “(C) is domiciled in any of the 50 States  
12 or the District of Columbia; and

13 “(D) is the person petitioning for the ad-  
14 mission of the alien under section 204.

15 “(2) MEANS-TESTED PUBLIC BENEFITS PRO-  
16 GRAM.—The term ‘means-tested public benefits pro-  
17 gram’ means a program of public benefits (including  
18 cash, medical, housing, and food assistance and so-  
19 cial services) of the Federal Government or of a  
20 State or political subdivision of a State in which the  
21 eligibility of an individual, household, or family eligi-  
22 bility unit for benefits under the program, or the  
23 amount of such benefits, or both are determined on  
24 the basis of income, resources, or financial need of  
25 the individual, household, or unit.”.

1 (b) CLERICAL AMENDMENT.—The table of contents  
2 of such Act is amended by inserting after the item relating  
3 to section 213 the following:

“Sec. 213A. Requirements for sponsor’s affidavit of support.”.

4 (c) EFFECTIVE DATE.—Subsection (a) of section  
5 213A of the Immigration and Nationality Act, as inserted  
6 by subsection (a) of this section, shall apply to affidavits  
7 of support executed on or after a date specified by the  
8 Attorney General, which date shall be not earlier than 60  
9 days (and not later than 90 days) after the date the Attor-  
10 ney General formulates the form for such affidavits under  
11 subsection (b) of such section.

12 (d) BENEFITS NOT SUBJECT TO REIMBURSE-  
13 MENT.—Requirements for reimbursement by a sponsor for  
14 benefits provided to a sponsored alien pursuant to an affi-  
15 davit of support under section 213A of the Immigration  
16 and Nationality Act shall not apply with respect to the  
17 following:

18 (1) Emergency medical services under title XV  
19 or XIX of the Social Security Act.

20 (2) Short-term, non-cash, in-kind emergency  
21 disaster relief.

22 (3) Assistance or benefits under the National  
23 School Lunch Act.

24 (4) Assistance or benefits under the Child Nu-  
25 trition Act of 1966.

1           (5)(A) Public health assistance for immuniza-  
2           tions.

3           (B) Public health assistance for testing and  
4           treatment of a serious communicable disease if the  
5           Secretary of Health and Human Services determines  
6           that it is necessary to prevent the spread of such  
7           disease.

8           (6) Payments for foster care and adoption as-  
9           sistance under part B of title IV of the Social Secu-  
10          rity Act for a child, but only if the foster or adoptive  
11          parent or parents of such child are not otherwise in-  
12          eligible pursuant to section 403 of this Act.

13          (7) Programs, services, or assistance (such as  
14          soup kitchens, crisis counseling and intervention,  
15          and short-term shelter) specified by the Attorney  
16          General, in the Attorney General's sole and  
17          unreviewable discretion after consultation with ap-  
18          propriate Federal agencies and departments, which  
19          (A) deliver in-kind services at the community level,  
20          including through public or private nonprofit agen-  
21          cies; (B) do not condition the provision of assistance,  
22          the amount of assistance provided, or the cost of as-  
23          sistance provided on the individual recipient's in-  
24          come or resources; and (C) are necessary for the  
25          protection of life or safety.



1           (8) Programs of student assistance under titles  
 2       IV, V, IX, and X of the Higher Education Act of  
 3       1965.

4   **SEC. 424. COSIGNATURE OF ALIEN STUDENT LOANS.**

5       Section 484(b) of the Higher Education Act of 1965  
 6   (20 U.S.C. 1091(b)) is amended by adding at the end the  
 7   following new paragraph:

8           “(6) Notwithstanding sections 427(a)(2)(A),  
 9       428B(a), 428C(b)(4)(A), and 464(c)(1)(E), or any  
 10      other provision of this title, a student who is an  
 11      alien lawfully admitted for permanent residence  
 12      under the Immigration and Nationality Act shall not  
 13      be eligible for a loan under this title unless the loan  
 14      is endorsed and cosigned by the alien’s sponsor  
 15      under section 213A of the Immigration and Nation-  
 16      ality Act or by another creditworthy individual who  
 17      is a United States citizen.”.

18   **Subtitle D—General Provisions**

19   **SEC. 431. DEFINITIONS.**

20       (a) **IN GENERAL.**—Except as otherwise provided in  
 21   this title, the terms used in this title have the same mean-  
 22   ing given such terms in section 101(a) of the Immigration  
 23   and Nationality Act.

24       (b) **QUALIFIED ALIEN.**—For purposes of this title,  
 25   the term “qualified alien” means an alien who, at the time

1 the alien applies for, receives, or attempts to receive a  
2 Federal public benefit, is—

3 (1) an alien who is lawfully admitted for perma-  
4 nent residence under the Immigration and National-  
5 ity Act,

6 (2) an alien who is granted asylum under sec-  
7 tion 208 of such Act,

8 (3) a refugee who is admitted to the United  
9 States under section 207 of such Act,

10 (4) an alien who is paroled into the United  
11 States under section 212(d)(5) of such Act for a pe-  
12 riod of at least 1 year,

13 (5) an alien whose deportation is being withheld  
14 under section 243(h) of such Act, or

15 (6) an alien who is granted conditional entry  
16 pursuant to section 203(a)(7) of such Act as in ef-  
17 fect prior to April 1, 1980.

18 **SEC. 432. VERIFICATION OF ELIGIBILITY FOR FEDERAL**  
19 **PUBLIC BENEFITS.**

20 (a) IN GENERAL.—Not later than 18 months after  
21 the date of the enactment of this Act, the Attorney Gen-  
22 eral of the United States, after consultation with the Sec-  
23 retary of Health and Human Services, shall promulgate  
24 regulations requiring verification that a person applying  
25 for a Federal public benefit (as defined in section 401(c)),

1 to which the limitation under section 401 applies, is a  
 2 qualified alien and is eligible to receive such benefit. Such  
 3 regulations shall, to the extent feasible, require that infor-  
 4 mation requested and exchanged be similar in form and  
 5 manner to information requested and exchanged under  
 6 section 1137 of the Social Security Act.

7 (b) STATE COMPLIANCE.—Not later than 24 months  
 8 after the date the regulations described in subsection (a)  
 9 are adopted, a State that administers a program that pro-  
 10 vides a Federal public benefit shall have in effect a ver-  
 11 ification system that complies with the regulations.

12 (c) AUTHORIZATION OF APPROPRIATIONS.—There  
 13 are authorized to be appropriated such sums as may be  
 14 necessary to carry out the purpose of this section.

15 **SEC. 433. STATUTORY CONSTRUCTION.**

16 (a) LIMITATION.—

17 (1) Nothing in this title may be construed as an  
 18 entitlement or a determination of an individual's eli-  
 19 gibility or fulfillment of the requisite requirements  
 20 for any Federal, State, or local governmental pro-  
 21 gram, assistance, or benefits. For purposes of this  
 22 title, eligibility relates only to the general issue of  
 23 eligibility or ineligibility on the basis of alienage.

24 (2) Nothing in this title may be construed as  
 25 addressing alien eligibility for a basic public edu-

1 cation as determined by the Supreme Court of the  
2 United States under *Plyler v. Doe* (457 U.S. 202)  
3 (1982).

4 (b) NOT APPLICABLE TO FOREIGN ASSISTANCE.—  
5 This title does not apply to any Federal, State, or local  
6 governmental program, assistance, or benefits provided to  
7 an alien under any program of foreign assistance as deter-  
8 mined by the Secretary of State in consultation with the  
9 Attorney General.

10 (c) SEVERABILITY.—If any provision of this title or  
11 the application of such provision to any person or cir-  
12 cumstance is held to be unconstitutional, the remainder  
13 of this title and the application of the provisions of such  
14 to any person or circumstance shall not be affected there-  
15 by.

16 **SEC. 434. COMMUNICATION BETWEEN STATE AND LOCAL**  
17 **GOVERNMENT AGENCIES AND THE IMMIGRA-**  
18 **TION AND NATURALIZATION SERVICE.**

19 Notwithstanding any other provision of Federal,  
20 State, or local law, no State or local government entity  
21 may be prohibited, or in any way restricted, from sending  
22 to or receiving from the Immigration and Naturalization  
23 Service information regarding the immigration status,  
24 lawful or unlawful, of an alien in the United States.

1 **SEC. 435. QUALIFYING QUARTERS.**

2 For purposes of this title, in determining the number  
3 of qualifying quarters of coverage under title II of the So-  
4 cial Security Act an alien shall be credited with—

5 (1) all of the qualifying quarters of coverage as  
6 defined under title II of the Social Security Act  
7 worked by a parent of such alien while the alien was  
8 under age 18 if the parent did not receive any Fed-  
9 eral means-tested public benefit (as defined in sec-  
10 tion 403(c)) during any such quarter, and

11 (2) all of the qualifying quarters worked by a  
12 spouse of such alien during their marriage if the  
13 spouse did not receive any Federal means-tested  
14 public benefit (as defined in section 403(c)) during  
15 any such quarter and the alien remains married to  
16 such spouse or such spouse is deceased.

17 **Subtitle E—Conforming Amend-**  
18 **ments Relating to Assisted**  
19 **Housing**

20 **SEC. 441. CONFORMING AMENDMENTS RELATING TO AS-**  
21 **SISTED HOUSING.**

22 (a) **LIMITATIONS ON ASSISTANCE.**—Section 214 of  
23 the Housing and Community Development Act of 1980  
24 (42 U.S.C. 1436a) is amended—

1           (1) by striking “Secretary of Housing and  
2           Urban Development” each place it appears and in-  
3           serting “applicable Secretary”;

4           (2) in subsection (b), by inserting after “Na-  
5           tional Housing Act,” the following: “the direct loan  
6           program under section 502 of the Housing Act of  
7           1949 or section 502(c)(5)(D), 504, 521(a)(2)(A), or  
8           542 of such Act, subtitle A of title III of the Cran-  
9           ston-Gonzalez National Affordable Housing Act,”;

10          (3) in paragraphs (2) through (6) of subsection  
11          (d), by striking “Secretary” each place it appears  
12          and inserting “applicable Secretary”;

13          (4) in subsection (d), in the matter following  
14          paragraph (6), by striking “the term ‘Secretary’”  
15          and inserting “the term ‘applicable Secretary’”; and

16          (5) by adding at the end the following new sub-  
17          section:

18          “(h) For purposes of this section, the term ‘applicable  
19          Secretary’ means—

20                 “(1) the Secretary of Housing and Urban De-  
21                 velopment, with respect to financial assistance ad-  
22                 ministered by such Secretary and financial assist-  
23                 ance under subtitle A of title III of the Cranston-  
24                 Gonzalez National Affordable Housing Act; and

1 “(2) the Secretary of Agriculture, with respect  
 2 to financial assistance administered by such Sec-  
 3 retary.”.

4 (b) CONFORMING AMENDMENTS.—Section 501(h) of  
 5 the Housing Act of 1949 (42 U.S.C. 1471(h)) is amend-  
 6 ed—

7 (1) by striking “(1)”;

8 (2) by striking “by the Secretary of Housing  
 9 and Urban Development”; and

10 (3) by striking paragraph (2).

11 **Subtitle F—Earned Income Credit**  
 12 **Denied To Unauthorized Em-**  
 13 **ployees**

14 **SEC. 451. EARNED INCOME CREDIT DENIED TO INDIVID-**  
 15 **UALS NOT AUTHORIZED TO BE EMPLOYED IN**  
 16 **THE UNITED STATES.**

17 (a) IN GENERAL.—Section 32(c)(1) of the Internal  
 18 Revenue Code of 1986 (relating to individuals eligible to  
 19 claim the earned income credit) is amended by adding at  
 20 the end the following new subparagraph:

21 “(F) IDENTIFICATION NUMBER REQUIRE-  
 22 MENT.—The term ‘eligible individual’ does not  
 23 include any individual who does not include on  
 24 the return of tax for the taxable year—

1 “(i) such individual’s taxpayer identi-  
2 fication number, and

3 “(ii) if the individual is married (with-  
4 in the meaning of section 7703), the tax-  
5 payer identification number of such indi-  
6 vidual’s spouse.”.

7 (b) SPECIAL IDENTIFICATION NUMBER.—Section 32  
8 of such Code is amended by adding at the end the follow-  
9 ing new subsection:

10 “(l) IDENTIFICATION NUMBERS.—Solely for pur-  
11 poses of subsections (c)(1)(F) and (c)(3)(D), a taxpayer  
12 identification number means a social security number is-  
13 sued to an individual by the Social Security Administra-  
14 tion (other than a social security number issued pursuant  
15 to clause (II) (or that portion of clause (III) that relates  
16 to clause (II)) of section 205(c)(2)(B)(i) of the Social Se-  
17 curity Act).”.

18 (c) EXTENSION OF PROCEDURES APPLICABLE TO  
19 MATHEMATICAL OR CLERICAL ERRORS.—Section  
20 6213(g)(2) (relating to the definition of mathematical or  
21 clerical errors) is amended by striking “and’ at the end  
22 of subparagraph (D), by striking the period at the end  
23 of subparagraph (E) and inserting a comma, and by in-  
24 serting after subparagraph (E) the following new subpara-  
25 graphs:



1           “(F) an omission of a correct taxpayer  
 2           identification number required under section 32  
 3           (relating to the earned income tax credit) to be  
 4           included on a return, and

5           “(G) an entry on a return claiming the  
 6           credit under section 32 with respect to net  
 7           earnings from self-employment described in sec-  
 8           tion 32(c)(2)(A) to the extent the tax imposed  
 9           by section 1401 (relating to self-employment  
 10          tax) on such net earnings has not been paid.”

11          (d) EFFECTIVE DATE.—The amendments made by  
 12          this section shall apply to taxable years beginning after  
 13          December 31, 1995.

## 14   **TITLE V—REDUCTIONS IN FED-** 15       **ERAL GOVERNMENT POSI-** 16       **TIONS**

### 17   **SEC. 501. REDUCTIONS.**

18          (a) DEFINITIONS.—As used in this section:

19           (1) APPROPRIATE EFFECTIVE DATE.—The term  
 20          “appropriate effective date”, used with respect to a  
 21          Department referred to in this section, means the  
 22          date on which all provisions of this Act (other than  
 23          title II) that the Department is required to carry  
 24          out, and amendments and repeals made by such Act

1 to provisions of Federal law that the Department is  
2 required to carry out, are effective.

3 (2) COVERED ACTIVITY.—The term “covered  
4 activity”, used with respect to a Department re-  
5 ferred to in this section, means an activity that the  
6 Department is required to carry out under—

7 (A) a provision of this Act (other than title  
8 II); or

9 (B) a provision of Federal law that is  
10 amended or repealed by this Act (other than  
11 title II).

12 (b) REPORTS.—

13 (1) CONTENTS.—Not later than December 31,  
14 1996, each Secretary referred to in paragraph (2)  
15 shall prepare and submit to the relevant committees  
16 described in paragraph (3) a report containing—

17 (A) the determinations described in sub-  
18 section (c);

19 (B) appropriate documentation in support  
20 of such determinations; and

21 (C) a description of the methodology used  
22 in making such determinations.

23 (2) SECRETARY.—The Secretaries referred to in  
24 this paragraph are—

25 (A) the Secretary of Agriculture;

1 (B) the Secretary of Education;

2 (C) the Secretary of Labor;

3 (D) the Secretary of Housing and Urban  
4 Development; and

5 (E) the Secretary of Health and Human  
6 Services.

7 (3) RELEVANT COMMITTEES.—The relevant  
8 Committees described in this paragraph are the fol-  
9 lowing:

10 (A) With respect to each Secretary de-  
11 scribed in paragraph (2), the Committee on  
12 Government Reform and Oversight of the  
13 House of Representatives and the Committee  
14 on Governmental Affairs of the Senate.

15 (B) With respect to the Secretary of Agri-  
16 culture, the Committee on Agriculture and the  
17 Committee on Economic and Educational Op-  
18 portunities of the House of Representatives and  
19 the Committee on Agriculture, Nutrition, and  
20 Forestry of the Senate.

21 (C) With respect to the Secretary of Edu-  
22 cation, the Committee on Economic and Edu-  
23 cational Opportunities of the House of Rep-  
24 resentatives and the Committee on Labor and  
25 Human Resources of the Senate.

1           (D) With respect to the Secretary of  
2           Labor, the Committee on Economic and Edu-  
3           cational Opportunities of the House of Rep-  
4           resentatives and the Committee on Labor and  
5           Human Resources of the Senate.

6           (E) With respect to the Secretary of Hous-  
7           ing and Urban Development, the Committee on  
8           Banking and Financial Services of the House of  
9           Representatives and the Committee on Bank-  
10          ing, Housing, and Urban Affairs of the Senate.

11          (F) With respect to the Secretary of  
12          Health and Human Services, the Committee on  
13          Economic and Educational Opportunities of the  
14          House of Representatives, the Committee on  
15          Labor and Human Resources of the Senate, the  
16          Committee on Ways and Means of the House of  
17          Representatives, and the Committee on Finance  
18          of the Senate.

19          (4) REPORT ON CHANGES.—Not later than De-  
20          cember 31, 1997, and each December 31 thereafter,  
21          each Secretary referred to in paragraph (2) shall  
22          prepare and submit to the relevant Committees de-  
23          scribed in paragraph (3), a report concerning any  
24          changes with respect to the determinations made

1 under subsection (c) for the year in which the report  
2 is being submitted.

3 (c) DETERMINATIONS.—Not later than December 31,  
4 1996, each Secretary referred to in subsection (b)(2) shall  
5 determine—

6 (1) the number of full-time equivalent positions  
7 required by the Department headed by such Sec-  
8 retary to carry out the covered activities of the De-  
9 partment, as of the day before the date of enactment  
10 of this Act;

11 (2) the number of such positions required by  
12 the Department to carry out the activities, as of the  
13 appropriate effective date for the Department; and

14 (3) the difference obtained by subtracting the  
15 number referred to in paragraph (2) from the num-  
16 ber referred to in paragraph (1).

17 (d) ACTIONS.—Each Secretary referred to in sub-  
18 section (b)(2) shall take such actions as may be necessary,  
19 including reduction in force actions, consistent with sec-  
20 tions 3502 and 3595 of title 5, United States Code, to  
21 reduce the number of positions of personnel of the Depart-  
22 ment—

23 (1) not later than 30 days after the appropriate  
24 effective date for the Department involved, by at

1       least 50 percent of the difference referred to in sub-  
2       section (c)(3); and

3           (2) not later than 13 months after such appro-  
4       prium effective date, by at least the remainder of  
5       such difference (after the application of paragraph  
6       (1)).

7       (e) CONSISTENCY.—

8           (1) EDUCATION.—The Secretary of Education  
9       shall carry out this section in a manner that enables  
10      the Secretary to meet the requirements of this sec-  
11      tion.

12          (2) LABOR.—The Secretary of Labor shall  
13      carry out this section in a manner that enables the  
14      Secretary to meet the requirements of this section.

15          (3) HEALTH AND HUMAN SERVICES.—The Sec-  
16      retary of Health and Human Services shall carry out  
17      this section in a manner that enables the Secretary  
18      to meet the requirements of this section and sections  
19      502 and 503.

20       (f) CALCULATION.—In determining, under subsection  
21   (c), the number of full-time equivalent positions required  
22   by a Department to carry out a covered activity, a Sec-  
23   retary referred to in subsection (b)(2) shall include the  
24   number of such positions occupied by personnel carrying  
25   out program functions or other functions (including budg-

1 etary, legislative, administrative, planning, evaluation, and  
2 legal functions) related to the activity.

3 (g) GENERAL ACCOUNTING OFFICE REPORT.—Not  
4 later than July 1, 1997, the Comptroller General of the  
5 United States shall prepare and submit to the committees  
6 described in subsection (b)(3), a report concerning the de-  
7 terminations made by each Secretary under subsection (c).  
8 Such report shall contain an analysis of the determina-  
9 tions made by each Secretary under subsection (c) and  
10 a determination as to whether further reductions in full-  
11 time equivalent positions are appropriate.

12 **SEC. 502. REDUCTIONS IN FEDERAL BUREAUCRACY.**

13 (a) IN GENERAL.—The Secretary of Health and  
14 Human Services shall reduce the Federal workforce within  
15 the Department of Health and Human Services by an  
16 amount equal to the sum of—

17 (1) 75 percent of the full-time equivalent posi-  
18 tions at such Department that relate to any direct  
19 spending program, or any program funded through  
20 discretionary spending, that has been converted into  
21 a block grant program under this Act and the  
22 amendments made by this Act; and

23 (2) an amount equal to 75 percent of that por-  
24 tion of the total full-time equivalent departmental  
25 management positions at such Department that

1 bears the same relationship to the amount appro-  
2 priated for the programs referred to in paragraph  
3 (1) as such amount relates to the total amount ap-  
4 propriated for use by such Department.

5 (b) REDUCTIONS IN THE DEPARTMENT OF HEALTH  
6 AND HUMAN SERVICES.—Notwithstanding any other pro-  
7 vision of this Act, the Secretary of Health and Human  
8 Services shall take such actions as may be necessary, in-  
9 cluding reductions in force actions, consistent with sec-  
10 tions 3502 and 3595 of title 5, United States Code, to  
11 reduce the full-time equivalent positions within the De-  
12 partment of Health and Human Services—

13 (1) by 245 full-time equivalent positions related  
14 to the program converted into a block grant under  
15 the amendment made by section 103; and

16 (2) by 60 full-time equivalent managerial posi-  
17 tions in the Department.

18 **SEC. 503. REDUCING PERSONNEL IN WASHINGTON, D.C.**

19 **AREA.**

20 In making reductions in full-time equivalent posi-  
21 tions, the Secretary of Health and Human Services is en-  
22 couraged to reduce personnel in the Washington, D.C.,  
23 area office (agency headquarters) before reducing field  
24 personnel.



1     **TITLE VI—REFORM OF PUBLIC**  
2                     **HOUSING**

3     **SEC. 601. FAILURE TO COMPLY WITH OTHER WELFARE AND**  
4                     **PUBLIC ASSISTANCE PROGRAMS.**

5             Title I of the United States Housing Act of 1937 (42  
6     U.S.C. 1437 et seq.), as amended by section 404(d) of  
7     this Act, is amended by adding at the end the following  
8     new section:

9     **“SEC. 28. FAILURE TO COMPLY WITH OTHER WELFARE AND**  
10                    **PUBLIC ASSISTANCE PROGRAMS.**

11            “(a) IN GENERAL.—If the benefits of a family are  
12     reduced under a Federal, State, or local law relating to  
13     welfare or a public assistance program for the failure of  
14     any member of the family to perform an action required  
15     under the law or program, the family may not, for the  
16     duration of the reduction, receive any increased assistance  
17     under this Act as the result of a decrease in the income  
18     of the family to the extent that the decrease in income  
19     is the result of the benefits reduction.

20            “(b) EXCEPTION.—Subsection (a) shall not apply in  
21     any case in which the benefits of a family are reduced be-  
22     cause the welfare or public assistance program to which  
23     the Federal, State, or local law relates limits the period  
24     during which benefits may be provided under the pro-  
25     gram.”.

1 **SEC. 602. FRAUD UNDER MEANS-TESTED WELFARE AND**  
2 **PUBLIC ASSISTANCE PROGRAMS.**

3 (a) IN GENERAL.—If an individual's benefits under  
4 a Federal, State, or local law relating to a means-tested  
5 welfare or a public assistance program are reduced be-  
6 cause of an act of fraud by the individual under the law  
7 or program, the individual may not, for the duration of  
8 the reduction, receive an increased benefit under any other  
9 means-tested welfare or public assistance program for  
10 which Federal funds are appropriated as a result of a de-  
11 crease in the income of the individual (determined under  
12 the applicable program) attributable to such reduction.

13 (b) WELFARE OR PUBLIC ASSISTANCE PROGRAMS  
14 FOR WHICH FEDERAL FUNDS ARE APPROPRIATED.—For  
15 purposes of subsection (a), the term “means-tested welfare  
16 or public assistance program for which Federal funds are  
17 appropriated” includes the food stamp program under the  
18 Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), any  
19 program of public or assisted housing under title I of the  
20 United States Housing Act of 1937 (42 U.S.C. 1437 et  
21 seq.), and State programs funded under part A of title  
22 IV of the Social Security Act (42 U.S.C. 601 et seq.).

23 **SEC. 603. EFFECTIVE DATE.**

24 This title and the amendment made by this title shall  
25 become effective on the date of enactment of this Act.

1 **TITLE VII—CHILD PROTECTION**  
 2 **BLOCK GRANT PROGRAMS**  
 3 **AND FOSTER CARE, ADOPT-**  
 4 **ION ASSISTANCE, AND INDE-**  
 5 **PENDENT LIVING PROGRAMS**

6 **Subtitle A—Child Protection Block**  
 7 **Grant Program and Foster Care,**  
 8 **Adoption Assistance, and Inde-**  
 9 **pendent Living Programs**

10 **CHAPTER 1—BLOCK GRANTS TO STATES**  
 11 **FOR THE PROTECTION OF CHILDREN**

12 **SEC. 701. ESTABLISHMENT OF PROGRAM.**

13 Title IV of the Social Security Act (42 U.S.C. 601  
 14 et seq.) is amended by striking part B and inserting the  
 15 following:

16 **“PART B—BLOCK GRANTS TO STATES FOR THE**  
 17 **PROTECTION OF CHILDREN**

18 **“SEC. 421. PURPOSE.**

19 “The purpose of this part is to enable eligible States  
 20 to carry out a child protection program to—

21 “(1) identify and assist families at risk of abus-  
 22 ing or neglecting their children;

23 “(2) operate a system for receiving reports of  
 24 abuse or neglect of children;

1           “(3) improve the intake, assessment, screening,  
2           and investigation of reports of abuse and neglect;

3           “(4) enhance the general child protective sys-  
4           tem by improving risk and safety assessment tools  
5           and protocols;

6           “(5) improve legal preparation and representa-  
7           tion, including procedures for appealing and re-  
8           sponding to appeals of substantiated reports of  
9           abuse and neglect;

10          “(6) provide support, treatment, and family  
11          preservation services to families which are, or are at  
12          risk of, abusing or neglecting their children;

13          “(7) support children who must be removed  
14          from or who cannot live with their families;

15          “(8) make timely decisions about permanent liv-  
16          ing arrangements for children who must be removed  
17          from or who cannot live with their families;

18          “(9) provide for continuing evaluation and im-  
19          provement of child protection laws, regulations, and  
20          services;

21          “(10) develop and facilitate training protocols  
22          for individuals mandated to report child abuse or ne-  
23          glect; and

24          “(11) develop and enhance the capacity of com-  
25          munity-based programs to integrate shared leader-

1 ship strategies between parents and professionals to  
 2 prevent and treat child abuse and neglect at the  
 3 neighborhood level.

4 **“SEC. 422. ELIGIBLE STATES.**

5 “(a) IN GENERAL.—As used in this part, the term  
 6 ‘eligible State’ means a State that has submitted to the  
 7 Secretary, not later than October 1, 1996, and every 3  
 8 years thereafter, a plan which has been signed by the chief  
 9 executive officer of the State and that includes the follow-  
 10 ing:

11 “(1) OUTLINE OF CHILD PROTECTION PRO-  
 12 GRAM.—A written document that outlines the activi-  
 13 ties the State intends to conduct to achieve the pur-  
 14 pose of this part, including the procedures to be  
 15 used for—

16 “(A) receiving and assessing reports of  
 17 child abuse or neglect;

18 “(B) investigating such reports;

19 “(C) with respect to families in which  
 20 abuse or neglect has been confirmed, providing  
 21 services or referral for services for families and  
 22 children where the State makes a determination  
 23 that the child may safely remain with the fam-  
 24 ily;

1           “(D) protecting children by removing them  
2           from dangerous settings and ensuring their  
3           placement in a safe environment;

4           “(E) providing training for individuals  
5           mandated to report suspected cases of child  
6           abuse or neglect;

7           “(F) protecting children in foster care;

8           “(G) promoting timely adoptions;

9           “(H) protecting the rights of families,  
10          using adult relatives as the preferred placement  
11          for children separated from their parents where  
12          such relatives meet the relevant State child pro-  
13          tection standards; and

14          “(I) providing services to individuals, fami-  
15          lies, or communities, either directly or through  
16          referral, that are aimed at preventing the occur-  
17          rence of child abuse and neglect.

18          “(2) CERTIFICATION OF STATE LAW REQUIRING  
19          THE REPORTING OF CHILD ABUSE AND NEGLECT.—  
20          A certification that the State has in effect laws that  
21          require public officials and other professionals to re-  
22          port, in good faith, actual or suspected instances of  
23          child abuse or neglect.

24          “(3) CERTIFICATION OF PROCEDURES FOR  
25          SCREENING, SAFETY ASSESSMENT, AND PROMPT IN-

1 VESTIGATION.—A certification that the State has in  
2 effect procedures for receiving and responding to re-  
3 ports of child abuse or neglect, including the reports  
4 described in paragraph (2), and for the immediate  
5 screening, safety assessment, and prompt investiga-  
6 tion of such reports.

7 “(4) CERTIFICATION OF STATE PROCEDURES  
8 FOR REMOVAL AND PLACEMENT OF ABUSED OR NE-  
9 GLECTED CHILDREN.—A certification that the State  
10 has in effect procedures for the removal from fami-  
11 lies and placement of abused or neglected children  
12 and of any other child in the same household who  
13 may also be in danger of abuse or neglect.

14 “(5) CERTIFICATION OF PROVISIONS FOR IMMU-  
15 NITY FROM PROSECUTION.—A certification that the  
16 State has in effect laws requiring immunity from  
17 prosecution under State and local laws and regula-  
18 tions for individuals making good faith reports of  
19 suspected or known instances of child abuse or ne-  
20 glect.

21 “(6) CERTIFICATION OF PROVISIONS AND PRO-  
22 CEDURES RELATING TO APPEALS.—A certification  
23 that not later than 2 years after the date of the en-  
24 actment of this part, the State shall have laws and  
25 procedures in effect affording individuals an oppor-

1       tunity to appeal an official finding of abuse or ne-  
2       glect.

3           “(7) CERTIFICATION OF STATE PROCEDURES  
4       FOR DEVELOPING AND REVIEWING WRITTEN PLANS  
5       FOR PERMANENT PLACEMENT OF REMOVED CHIL-  
6       DREN.—A certification that the State has in effect  
7       procedures for ensuring that a written plan is pre-  
8       pared for children who have been removed from their  
9       families. Such plan shall specify the goals for achiev-  
10      ing a permanent placement for the child in a timely  
11      fashion, for ensuring that the written plan is re-  
12      viewed every 6 months (until such placement is  
13      achieved), and for ensuring that information about  
14      such children is collected regularly and recorded in  
15      case records, and include a description of such pro-  
16      cedures.

17          “(8) CERTIFICATION OF STATE PROGRAM TO  
18      PROVIDE INDEPENDENT LIVING SERVICES.—A cer-  
19      tification that the State has in effect a program to  
20      provide independent living services, for assistance in  
21      making the transition to self-sufficient adulthood, to  
22      individuals in the child protection program of the  
23      State who are 16, but who are not 20 (or, at the op-  
24      tion of the State, 22), years of age, and who do not  
25      have a family to which to be returned.



1           “(9) CERTIFICATION OF STATE PROCEDURES  
2           TO RESPOND TO REPORTING OF MEDICAL NEGLIGENCE  
3           OF DISABLED INFANTS.—

4           “(A) IN GENERAL.—A certification that  
5           the State has in place for the purpose of re-  
6           sponding to the reporting of medical neglect of  
7           infants (including instances of withholding of  
8           medically indicated treatment from disabled in-  
9           fants with life-threatening conditions), proce-  
10          dures or programs, or both (within the State  
11          child protective services system), to provide  
12          for—

13               “(i) coordination and consultation  
14               with individuals designated by and within  
15               appropriate health-care facilities;

16               “(ii) prompt notification by individ-  
17               uals designated by and within appropriate  
18               health-care facilities of cases of suspected  
19               medical neglect (including instances of  
20               withholding of medically indicated treat-  
21               ment from disabled infants with life-threat-  
22               ening conditions); and

23               “(iii) authority, under State law, for  
24               the State child protective service to pursue  
25               any legal remedies, including the authority

1 to initiate legal proceedings in a court of  
2 competent jurisdiction, as may be nec-  
3 essary to prevent the withholding of medi-  
4 cally indicated treatment from disabled in-  
5 fants with life-threatening conditions.

6 “(B) WITHHOLDING OF MEDICALLY INDI-  
7 CATED TREATMENT.—As used in subparagraph  
8 (A), the term ‘withholding of medically indi-  
9 cated treatment’ means the failure to respond  
10 to the infant’s life-threatening conditions by  
11 providing treatment (including appropriate nu-  
12 trition, hydration, and medication) which, in the  
13 treating physician’s or physicians’ reasonable  
14 medical judgment, will be most likely to be ef-  
15 fective in ameliorating or correcting all such  
16 conditions, except that such term does not in-  
17 clude the failure to provide treatment (other  
18 than appropriate nutrition, hydration, or medi-  
19 cation) to an infant when, in the treating physi-  
20 cian’s or physicians’ reasonable medical judg-  
21 ment—

22 “(i) the infant is chronically and irre-  
23 versibly comatose;

24 “(ii) the provision of such treatment  
25 would—

1 “(I) merely prolong dying;

2 “(II) not be effective in amelio-  
3 rating or correcting all of the infant’s  
4 life-threatening conditions; or

5 “(III) otherwise be futile in  
6 terms of the survival of the infant; or

7 “(iii) the provision of such treatment  
8 would be virtually futile in terms of the  
9 survival of the infant and the treatment it-  
10 self under such circumstances would be in-  
11 humane.

12 “(10) IDENTIFICATION OF CHILD PROTECTION  
13 GOALS.—The quantitative goals of the State child  
14 protection program.

15 “(11) CERTIFICATION OF CHILD PROTECTION  
16 STANDARDS.—With respect to fiscal years beginning  
17 on or after April 1, 1996, a certification that the  
18 State—

19 “(A) has completed an inventory of all  
20 children who, before the inventory, had been in  
21 foster care under the responsibility of the State  
22 for 6 months or more, which determined—

23 “(i) the appropriateness of, and neces-  
24 sity for, the foster care placement;

1           “(ii) whether the child could or should  
2           be returned to the parents of the child or  
3           should be freed for adoption or other per-  
4           manent placement; and

5           “(iii) the services necessary to facili-  
6           tate the return of the child or the place-  
7           ment of the child for adoption or legal  
8           guardianship;

9           “(B) is operating, to the satisfaction of the  
10          Secretary—

11           “(i) a statewide information system  
12           from which can be readily determined the  
13           status, demographic characteristics, loca-  
14           tion, and goals for the placement of every  
15           child who is (or, within the immediately  
16           preceding 12 months, has been) in foster  
17           care;

18           “(ii) a case review system for each  
19           child receiving foster care under the super-  
20           vision of the State;

21           “(iii) a service program designed to  
22           help children—

23           “(I) where appropriate, return to  
24           families from which they have been  
25           removed; or

1                   “(II) be placed for adoption, with  
 2                   a legal guardian, or if adoption or  
 3                   legal guardianship is determined not  
 4                   to be appropriate for a child, in some  
 5                   other planned, permanent living ar-  
 6                   rangement; and

7                   “(iv) a preplacement preventive serv-  
 8                   ices program designed to help children at  
 9                   risk for foster care placement remain with  
 10                  their families; and

11                  “(C)(i) has reviewed (or not later than Oc-  
 12                  tober 1, 1997, will review) State policies and  
 13                  administrative and judicial procedures in effect  
 14                  for children abandoned at or shortly after birth  
 15                  (including policies and procedures providing for  
 16                  legal representation of such children); and

17                  “(ii) is implementing (or not later than Oc-  
 18                  tober 1, 1997, will implement) such policies and  
 19                  procedures as the State determines, on the  
 20                  basis of the review described in clause (i), to be  
 21                  necessary to enable permanent decisions to be  
 22                  made expeditiously with respect to the place-  
 23                  ment of such children.

24                  “(12) CERTIFICATION OF REASONABLE EF-  
 25                  FORTS BEFORE PLACEMENT OF CHILDREN IN FOS-

1       TER CARE.—A certification that the State in each  
2       case will—

3               “(A) make reasonable efforts prior to the  
4               placement of a child in foster care, to prevent  
5               or eliminate the need for removal of the child  
6               from the child’s home, and to make it possible  
7               for the child to return home; and

8               “(B) with respect to families in which  
9               abuse or neglect has been confirmed, provide  
10              services or referral for services for families and  
11              children where the State makes a determination  
12              that the child may safely remain with the fam-  
13              ily.

14              “(13) CERTIFICATION OF COOPERATIVE EF-  
15              FORTS.—A certification by the State, where appro-  
16              priate, that all steps will be taken, including cooper-  
17              ative efforts with the State agencies administering  
18              the plans approved under parts A and D, to secure  
19              an assignment to the State of any rights to support  
20              on behalf of each child receiving foster care mainte-  
21              nance payments under part E.

22              “(14) CERTIFICATION OF CONFIDENTIALITY  
23              AND REQUIREMENTS FOR INFORMATION DISCLO-  
24              SURE.—

1           “(A) IN GENERAL.—A certification that  
2           the State has in effect and operational—

3           “(i) requirements ensuring that re-  
4           ports and records made and maintained  
5           pursuant to the purposes of this part shall  
6           only be made available to—

7           “(I) individuals who are the sub-  
8           ject of the report;

9           “(II) Federal, State, or local gov-  
10          ernment entities, or any agent of such  
11          entities, having a need for such infor-  
12          mation in order to carry out their re-  
13          sponsibilities under law to protect  
14          children from abuse and neglect;

15          “(III) child abuse citizen review  
16          panels;

17          “(IV) child fatality review panels;

18          “(V) a grand jury or court, upon  
19          a finding that information in the  
20          record is necessary for the determina-  
21          tion of an issue before the court or  
22          grand jury; and

23          “(VI) other entities or classes of  
24          individuals statutorily authorized by  
25          the State to receive such information

1                   pursuant to a legitimate State pur-  
2                   pose; and

3                   “(ii) provisions that allow for public  
4                   disclosure of the findings or information  
5                   about cases of child abuse or neglect that  
6                   have resulted in a child fatality or near fa-  
7                   tality.

8                   “(B) LIMITATION.—Disclosures made pur-  
9                   suant to clause (i) or (ii) shall not include the  
10                  identifying information concerning the individ-  
11                  ual initiating a report or complaint alleging sus-  
12                  pected instances of child abuse or neglect.

13                  “(C) DEFINITION.—For purposes of this  
14                  paragraph, the term ‘near fatality’ means an  
15                  act that, as certified by a physician, places the  
16                  child in serious or critical condition.

17                  “(b) DETERMINATIONS.—The Secretary shall deter-  
18                  mine whether a plan submitted pursuant to subsection (a)  
19                  contains the material required by subsection (a), other  
20                  than the material described in paragraph (9) of such sub-  
21                  section. The Secretary may not require a State to include  
22                  in such a plan any material not described in subsection  
23                  (a).

24                  **“SEC. 423. GRANTS TO STATES FOR CHILD PROTECTION.**

25                  “(a) FUNDING OF BLOCK GRANTS.—



1           “(1) ENTITLEMENT COMPONENT.—Each eligi-  
 2           ble State shall be entitled to receive from the Sec-  
 3           retary for each fiscal year specified in subsection  
 4           (b)(1) a grant in an amount equal to the State share  
 5           of the child protection amount for the fiscal year.

6           “(2) AUTHORIZATION COMPONENT.—

7                   “(A) IN GENERAL.—For each eligible  
 8           State for each fiscal year specified in subsection  
 9           (b)(1), the Secretary shall supplement the grant  
 10          under paragraph (1) of this subsection by an  
 11          amount equal to the State share of the amount  
 12          (if any) appropriated pursuant to subparagraph  
 13          (B) of this paragraph for the fiscal year.

14                   “(B) LIMITATION ON AUTHORIZATION OF  
 15          APPROPRIATIONS.—For grants under subpara-  
 16          graph (A), there are authorized to be appro-  
 17          priated to the Secretary an amount not to ex-  
 18          ceed \$325,000,000 for each fiscal year specified  
 19          in subsection (b)(1).

20          “(b) DEFINITIONS.—As used in this section:

21                   “(1) CHILD PROTECTION AMOUNT.—The term  
 22          ‘child protection amount’ means—

23                           “(A) \$240,000,000 for fiscal year 1997;

24                           “(B) \$255,000,000 for fiscal year 1998;

25                           “(C) \$262,000,000 for fiscal year 1999;

1 “(D) \$270,000,000 for fiscal year 2000;

2 “(E) \$278,000,000 for fiscal year 2001;

3 and

4 “(F) \$286,000,000 for fiscal year 2002;

5 “(2) STATE SHARE.—

6 “(A) IN GENERAL.—The term ‘State  
7 share’ means the qualified child protection ex-  
8 penses of the State divided by the sum of the  
9 qualified child protection expenses of all of the  
10 States.

11 “(B) QUALIFIED CHILD PROTECTION EX-  
12 PENSES.—The term ‘qualified child protection  
13 expenses’ means, with respect to a State the  
14 greater of—

15 “(i) the total amount of one-third of  
16 the Federal grant amounts to the State  
17 under the provisions of law specified in  
18 clauses (i) and (ii) of subparagraph (C) for  
19 fiscal years 1992, 1993, and 1994; or

20 “(ii) the total amount of the Federal  
21 grant amounts to the State under the pro-  
22 visions of law specified in clauses (i) and  
23 (ii) of subparagraph (C) for fiscal year  
24 1994.

1           “(C) PROVISIONS OF LAW.—The provisions  
2           of law specified in this subparagraph are the  
3           following (as in effect with respect to each of  
4           the fiscal years referred to in subparagraph  
5           (B)):

6                     “(i) Section 423 of this Act.

7                     “(ii) Section 434 of this Act.

8           “(D) DETERMINATION OF INFORMA-  
9           TION.—In determining amounts for fiscal years  
10          1992, 1993, and 1994 under clauses (i) and (ii)  
11          of subparagraph (B), the Secretary shall use in-  
12          formation listed as actual amounts in the Jus-  
13          tification for Estimates for Appropriation Com-  
14          mittees of the Administration for Children and  
15          Families for fiscal years 1994, 1995, and 1996,  
16          respectively.

17          “(c) USE OF GRANT.—

18                     “(1) IN GENERAL.—A State to which a grant  
19                     is made under this section may use the grant in any  
20                     manner that the State deems appropriate to accom-  
21                     plish the purpose of this part.

22                     “(2) TIMING OF EXPENDITURES.—A State to  
23                     which a grant is made under this section for a fiscal  
24                     year shall expend the total amount of the grant not

1 later than the end of the immediately succeeding fis-  
2 cal year.

3 “(3) RULE OF INTERPRETATION.—This part  
4 shall not be interpreted to prohibit short- and long-  
5 term foster care facilities operated for profit from  
6 receiving funds provided under this part or part E.

7 “(d) TIMING OF PAYMENTS.—The Secretary shall  
8 pay each eligible State the amount of the grant payable  
9 to the State under this section in quarterly installments.

10 “(e) PENALTIES.—

11 “(1) FOR USE OF GRANT IN VIOLATION OF  
12 THIS PART.—If an audit conducted pursuant to  
13 chapter 75 of title 31, United States Code, finds  
14 that an amount paid to a State under this section  
15 for a fiscal year has been used in violation of this  
16 part, then the Secretary shall reduce the amount of  
17 the grant that would (in the absence of this para-  
18 graph) be payable to the State under this section for  
19 the immediately succeeding fiscal year by the  
20 amount so used, plus 5 percent of the grant paid  
21 under this section to the State for such fiscal year.

22 “(2) FOR FAILURE TO MAINTAIN EFFORT.—

23 “(A) IN GENERAL.—If an audit conducted  
24 pursuant to chapter 75 of title 31, United  
25 States Code, finds that the amount expended by

1 a State (other than from amounts provided by  
2 the Federal Government) during the fiscal years  
3 specified in subparagraph (B), to carry out the  
4 State program funded under this part is less  
5 than the applicable percentage specified in such  
6 subparagraph of the total amount expended by  
7 the State (other than from amounts provided by  
8 the Federal Government) during fiscal year  
9 1994 under parts B and E of this title (as in  
10 effect on the day before the date of the enact-  
11 ment of this part), then the Secretary shall re-  
12 duce the amount of the grant that would (in  
13 the absence of this paragraph) be payable to  
14 the State under this section for the immediately  
15 succeeding fiscal year by the amount of the dif-  
16 ference, plus 5 percent of the grant paid under  
17 this section to the State for such fiscal year.

18 “(B) SPECIFICATION OF FISCAL YEARS  
19 AND APPLICABLE PERCENTAGES.—The fiscal  
20 years and applicable percentages specified in  
21 this subparagraph are as follows:

22 “(i) For fiscal years 1997 and 1998,  
23 100 percent.

24 “(ii) For fiscal years 1999 through  
25 2002, 75 percent.

1           “(3) FOR FAILURE TO SUBMIT REQUIRED RE-  
2       PORT.—

3           “(A) IN GENERAL.—The Secretary shall  
4       reduce by 3 percent the amount of the grant  
5       that would (in the absence of this paragraph)  
6       be payable to a State under this section for a  
7       fiscal year if the Secretary determines that the  
8       State has not submitted the report required by  
9       section 424 for the immediately preceding fiscal  
10      year, within 6 months after the end of the im-  
11      mediately preceding fiscal year.

12          “(B) RESCISSION OF PENALTY.—The Sec-  
13      retary shall rescind a penalty imposed on a  
14      State under subparagraph (A) with respect to a  
15      report for a fiscal year if the State submits the  
16      report before the end of the immediately suc-  
17      ceeding fiscal year.

18          “(4) STATE FUNDS TO REPLACE REDUCTIONS  
19      IN GRANT.—A State which has a penalty imposed  
20      against it under this subsection for a fiscal year  
21      shall expend additional State funds in an amount  
22      equal to the amount of the penalty for the purpose  
23      of carrying out the State program under this part  
24      during the immediately succeeding fiscal year.

1           “(5) REASONABLE CAUSE EXCEPTION.—Except  
2           in the case of the penalty described in paragraph  
3           (2), the Secretary may not impose a penalty on a  
4           State under this subsection with respect to a re-  
5           quirement if the Secretary determines that the State  
6           has reasonable cause for failing to comply with the  
7           requirement.

8           “(6) CORRECTIVE COMPLIANCE PLAN.—

9           “(A) IN GENERAL.—

10           “(i) NOTIFICATION OF VIOLATION.—  
11           Before imposing a penalty against a State  
12           under this subsection with respect to a vio-  
13           lation of this part, the Secretary shall no-  
14           tify the State of the violation and allow the  
15           State the opportunity to enter into a cor-  
16           rective compliance plan in accordance with  
17           this paragraph which outlines how the  
18           State will correct the violation and how the  
19           State will insure continuing compliance  
20           with this part.

21           “(ii) 60-DAY PERIOD TO PROPOSE A  
22           CORRECTIVE COMPLIANCE PLAN.—During  
23           the 60-day period that begins on the date  
24           the State receives a notice provided under  
25           clause (i) with respect to a violation, the

1 State may submit to the Federal Govern-  
2 ment a corrective compliance plan to cor-  
3 rect the violation.

4 “(iii) CONSULTATION ABOUT MODI-  
5 FICATIONS.—During the 60-day period  
6 that begins with the date the Secretary re-  
7 ceives a corrective compliance plan submit-  
8 ted by a State in accordance with clause  
9 (ii), the Secretary may consult with the  
10 State on modifications to the plan.

11 “(iv) ACCEPTANCE OF PLAN.—A cor-  
12 rective compliance plan submitted by a  
13 State in accordance with clause (ii) is  
14 deemed to be accepted by the Secretary if  
15 the Secretary does not accept or reject the  
16 plan during the 60-day period that begins  
17 on the date the plan is submitted.

18 “(B) EFFECT OF CORRECTING VIOLA-  
19 TION.—The Secretary may not impose any pen-  
20 alty under this subsection with respect to any  
21 violation covered by a State corrective compli-  
22 ance plan accepted by the Secretary if the State  
23 corrects the violation pursuant to the plan.

24 “(C) EFFECT OF FAILING TO CORRECT  
25 VIOLATION.—The Secretary shall assess some



1 or all of a penalty imposed on a State under  
2 this subsection with respect to a violation if the  
3 State does not, in a timely manner, correct the  
4 violation pursuant to a State corrective compli-  
5 ance plan accepted by the Secretary.

6 “(7) LIMITATION ON AMOUNT OF PENALTY.—

7 “(A) IN GENERAL.—In imposing the pen-  
8 alties described in this subsection, the Secretary  
9 shall not reduce any quarterly payment to a  
10 State by more than 25 percent.

11 “(B) CARRYFORWARD OF UNRECOVERED  
12 PENALTIES.—To the extent that subparagraph  
13 (A) prevents the Secretary from recovering dur-  
14 ing a fiscal year the full amount of all penalties  
15 imposed on a State under this subsection for a  
16 prior fiscal year, the Secretary shall apply any  
17 remaining amount of such penalties to the  
18 grant payable to the State under section 423(a)  
19 for the immediately succeeding fiscal year.

20 “(f) TREATMENT OF TERRITORIES.—

21 “(1) IN GENERAL.—A territory, as defined in  
22 section 1108(b)(1), shall carry out a child protection  
23 program in accordance with the provisions of this  
24 part.

1           “(2) PAYMENTS.—Subject to the mandatory  
2           ceiling amounts specified in section 1108, each terri-  
3           tory, as so defined, shall be entitled to receive from  
4           the Secretary for any fiscal year an amount equal to  
5           the total obligations to the territory under section  
6           434 (as in effect on the day before the date of the  
7           enactment of this part) for fiscal year 1995.

8           “(g) LIMITATION ON FEDERAL AUTHORITY.—Except  
9           as expressly provided in this Act, the Secretary may not  
10          regulate the conduct of States under this part or enforce  
11          any provision of this part.

12       **“SEC. 424. DATA COLLECTION AND REPORTING.**

13           “(a) NATIONAL CHILD ABUSE AND NEGLECT DATA  
14          SYSTEM.—The Secretary shall establish a national data  
15          collection and analysis program—

16               “(1) which, to the extent practicable, coordi-  
17               nates existing State child abuse and neglect reports  
18               and which shall include—

19                       “(A) standardized data on substantiated,  
20                       as well as false, unfounded, or unsubstantiated  
21                       reports; and

22                       “(B) information on the number of deaths  
23                       due to child abuse and neglect; and

24               “(2) which shall collect, compile, analyze, and  
25               make available State child abuse and neglect report-

1       ing information which, to the extent practical, is uni-  
2       versal and case-specific and integrated with other  
3       case-based foster care and adoption data collected by  
4       the Secretary.

5       “(b) ADOPTION AND FOSTER CARE AND ANALYSIS  
6       AND REPORTING SYSTEMS.—The Secretary shall imple-  
7       ment a system for the collection of data relating to adop-  
8       tion and foster care in the United States. Such data collec-  
9       tion system shall—

10               “(1) avoid unnecessary diversion of resources  
11       from agencies responsible for adoption and foster  
12       care;

13               “(2) assure that any data that is collected is re-  
14       liable and consistent over time and among jurisdic-  
15       tions through the use of uniform definitions and  
16       methodologies;

17               “(3) provide comprehensive national informa-  
18       tion with respect to—

19                       “(A) the demographic characteristics of  
20       adoptive and foster children and their biological  
21       and adoptive or foster parents;

22                       “(B) the status of the foster care popu-  
23       lation (including the number of children in fos-  
24       ter care, length of placement, type of place-

1           ment, availability for adoption, and goals for  
2           ending or continuing foster care);

3           “(C) the number and characteristics of—

4               “(i) children placed in or removed  
5               from foster care;

6               “(ii) children adopted or with respect  
7               to whom adoptions have been terminated;  
8               and

9               “(iii) children placed in foster care  
10              outside the State which has placement and  
11              care responsibility; and

12           “(D) the extent and nature of assistance  
13           provided by Federal, State, and local adoption  
14           and foster care programs and the characteris-  
15           tics of the children with respect to whom such  
16           assistance is provided; and

17           “(4) utilize appropriate requirements and incen-  
18           tives to ensure that the system functions reliably  
19           throughout the United States.

20           “(c) ADDITIONAL INFORMATION.—The Secretary  
21           may require the provision of additional information under  
22           the data collection system established under subsection (b)  
23           if the addition of such information is agreed to by a major-  
24           ity of the States.

1       “(d) ANNUAL REPORT BY THE SECRETARY.—Not  
2 later than 6 months after the end of each fiscal year, the  
3 Secretary shall prepare a report based on information pro-  
4 vided by the States for the fiscal year pursuant to this  
5 section, and shall make the report and such information  
6 available to the Congress and the public.

7       **“SEC. 425. FUNDING FOR STUDIES OF CHILD WELFARE.**

8       “(a) NATIONAL RANDOM SAMPLE STUDY OF CHILD  
9 WELFARE.—There are authorized to be appropriated and  
10 there are appropriated to the Secretary for each of fiscal  
11 years 1996 through 2002—

12               “(1) \$6,000,000 to conduct a national study  
13 based on random samples of children who are at risk  
14 of child abuse or neglect, or are determined by  
15 States to have been abused or neglected under sec-  
16 tion 208 of the Child and Family Services Block  
17 Grant Act of 1996; and

18               “(2) \$10,000,000 for such other research as  
19 may be necessary under such section.

20       “(b) ASSESSMENT OF STATE COURTS IMPROVEMENT  
21 OF HANDLING OF PROCEEDINGS RELATING TO FOSTER  
22 CARE AND ADOPTION.—There are authorized to be appro-  
23 priated and there are appropriated to the Secretary for  
24 each of fiscal years 1996 through 1998 \$10,000,000 for  
25 the purpose of carrying out section 13712 of the Omnibus

1 Budget Reconciliation Act of 1993 (42 U.S.C. 670 note).

2 All funds appropriated under this subsection shall be ex-  
3 pended not later than September 30, 1999.

4 **“SEC. 426. DEFINITIONS.**

5 “For purposes of this part and part E, the following  
6 definitions shall apply:

7 “(1) ADMINISTRATIVE REVIEW.—The term ‘ad-  
8 ministrative review’ means a review open to the par-  
9 ticipation of the parents of the child, conducted by  
10 a panel of appropriate persons at least one of whom  
11 is not responsible for the case management of, or  
12 the delivery of services to, either the child or the  
13 parents who are the subject of the review.

14 “(2) ADOPTION ASSISTANCE AGREEMENT.—The  
15 term ‘adoption assistance agreement’ means a writ-  
16 ten agreement, binding on the parties to the agree-  
17 ment, between the State, other relevant agencies,  
18 and the prospective adoptive parents of a minor  
19 child which at a minimum—

20 “(A) specifies the nature and amount of  
21 any payments, services, and assistance to be  
22 provided under such agreement; and

23 “(B) stipulates that the agreement shall  
24 remain in effect regardless of the State of

1           which the adoptive parents are residents at any  
2           given time.

3           The agreement shall contain provisions for the pro-  
4           tection (under an interstate compact approved by  
5           the Secretary or otherwise) of the interests of the  
6           child in cases where the adoptive parents and child  
7           move to another State while the agreement is effec-  
8           tive.

9           “(3) CASE PLAN.—The term ‘case plan’ means  
10          a written document which includes at least the fol-  
11          lowing:

12                 “(A) A description of the type of home or  
13                 institution in which a child is to be placed, in-  
14                 cluding a discussion of the appropriateness of  
15                 the placement and how the agency which is re-  
16                 sponsible for the child plans to carry out the  
17                 voluntary placement agreement entered into or  
18                 judicial determination made with respect to the  
19                 child in accordance with section 472(a)(1).

20                 “(B) A plan for assuring that the child re-  
21                 ceives proper care and that services are pro-  
22                 vided to the parents, child, and foster parents  
23                 in order to improve the conditions in the par-  
24                 ents’ home, facilitate return of the child to his  
25                 or her own home or the permanent placement

1 of the child, and address the needs of the child  
2 while in foster care, including a discussion of  
3 the appropriateness of the services that have  
4 been provided to the child under the plan.

5 “(C) To the extent available and acces-  
6 sible, the health and education records of the  
7 child, including—

8 “(i) the names and addresses of the  
9 child’s health and educational providers;

10 “(ii) the child’s grade level perform-  
11 ance;

12 “(iii) the child’s school record;

13 “(iv) assurances that the child’s place-  
14 ment in foster care takes into account  
15 proximity to the school in which the child  
16 is enrolled at the time of placement;

17 “(v) a record of the child’s immuniza-  
18 tions;

19 “(vi) the child’s known medical prob-  
20 lems;

21 “(vii) the child’s medications; and

22 “(viii) any other relevant health and  
23 education information concerning the child  
24 determined to be appropriate by the State.



1           Where appropriate, for a child age 16 or over,  
2           the case plan must also include a written de-  
3           scription of the programs and services which  
4           will help such child prepare for the transition  
5           from foster care to independent living.

6           “(4) CASE REVIEW SYSTEM.—The term ‘case  
7           review system’ means a procedure for assuring  
8           that—

9                   “(A) each child has a case plan designed to  
10           achieve placement in the least restrictive (most  
11           family-like) and most appropriate setting avail-  
12           able and in close proximity to the parents’  
13           home, consistent with the best interests and  
14           special needs of the child, which—

15                   “(i) if the child has been placed in a  
16           foster family home or child-care institution  
17           a substantial distance from the home of  
18           the parents of the child, or in a State dif-  
19           ferent from the State in which such home  
20           is located, sets forth the reasons why such  
21           placement is in the best interests of the  
22           child; and

23                   “(ii) if the child has been placed in  
24           foster care outside the State in which the  
25           home of the parents of the child is located,

1 requires that, periodically, but not less fre-  
2 quently than every 12 months, a case-  
3 worker on the staff of the State in which  
4 the home of the parents of the child is lo-  
5 cated, or of the State in which the child  
6 has been placed, visit such child in such  
7 home or institution and submit a report on  
8 such visit to the State in which the home  
9 of the parents of the child is located;

10 “(B) the status of each child is reviewed  
11 periodically but no less frequently than once  
12 every 6 months by either a court or by adminis-  
13 trative review (as defined in paragraph (1)) in  
14 order to determine the continuing necessity for  
15 and appropriateness of the placement, the ex-  
16 tent of compliance with the case plan, and the  
17 extent of progress which has been made toward  
18 alleviating or mitigating the causes necessitat-  
19 ing placement in foster care, and to project a  
20 likely date by which the child may be returned  
21 to the home or placed for adoption or legal  
22 guardianship;

23 “(C) with respect to each such child, pro-  
24 cedural safeguards will be applied, among other  
25 things, to assure each child in foster care under

1 the supervision of the State of a dispositional  
2 hearing to be held, in a family or juvenile court  
3 or another court (including a tribal court) of  
4 competent jurisdiction, or by an administrative  
5 body appointed or approved by the court, no  
6 later than 18 months after the original place-  
7 ment (and not less frequently than every 12  
8 months thereafter during the continuation of  
9 foster care), which hearing shall determine the  
10 future status of the child (including whether the  
11 child should be returned to the parent, should  
12 be continued in foster care for a specified pe-  
13 riod, should be placed for adoption, or should  
14 (because of the child's special needs or cir-  
15 cumstances) be continued in foster care on a  
16 permanent or long-term basis) and, in the case  
17 of a child described in subparagraph (A)(ii),  
18 whether the out-of-State placement continues to  
19 be appropriate and in the best interests of the  
20 child, and, in the case of a child who has at-  
21 tained age 16, the services needed to assist the  
22 child to make the transition from foster care to  
23 independent living; and procedural safeguards  
24 shall also be applied with respect to parental  
25 rights pertaining to the removal of the child

1 from the home of his parents, to a change in  
2 the child's placement, and to any determination  
3 affecting visitation privileges of parents; and

4 “(D) a child's health and education record  
5 (as described in paragraph (3)(C)) is reviewed  
6 and updated, and supplied to the foster parent  
7 or foster care provider with whom the child is  
8 placed, at the time of each placement of the  
9 child in foster care.

10 “(5) CHILD-CARE INSTITUTION.—The term  
11 ‘child-care institution’ means a private child-care in-  
12 stitution, or a public child-care institution which ac-  
13 commodates no more than 25 children, which is li-  
14 censed by the State in which it is situated or has  
15 been approved, by the agency of such State respon-  
16 sible for licensing or approval of institutions of this  
17 type, as meeting the standards established for such  
18 licensing, but the term shall not include detention  
19 facilities, forestry camps, training schools, or any  
20 other facility operated primarily for the detention of  
21 children who are determined to be delinquent.

22 “(6) FOSTER CARE MAINTENANCE PAY-  
23 MENTS.—

24 “(A) IN GENERAL.—The term ‘foster care  
25 maintenance payments’ means payments to

1 cover the cost of (and the cost of providing)  
2 food, clothing, shelter, daily supervision, school  
3 supplies, a child's personal incidentals, liability  
4 insurance with respect to a child, and reason-  
5 able travel to the child's home for visitation. In  
6 the case of institutional care, such term shall  
7 include the reasonable costs of administration  
8 and operation of such institution as are nec-  
9 essarily required to provide the items described  
10 in the preceding sentence.

11 “(B) SPECIAL RULE.—In cases where—

12 “(i) a child placed in a foster family  
13 home or child-care institution is the parent  
14 of a son or daughter who is in the same  
15 home or institution; and

16 “(ii) payments described in subpara-  
17 graph (A) are being made under this part  
18 with respect to such child,

19 the foster care maintenance payments made  
20 with respect to such child as otherwise deter-  
21 mined under subparagraph (A) shall also in-  
22 clude such amounts as may be necessary to  
23 cover the cost of the items described in that  
24 subparagraph with respect to such son or  
25 daughter.

1           “(7) FOSTER FAMILY HOME.—The term ‘foster  
2 family home’ means a foster family home for chil-  
3 dren which is licensed by the State in which it is sit-  
4 uated or has been approved, by the agency of such  
5 State having responsibility for licensing homes of  
6 this type, as meeting the standards established for  
7 such licensing.

8           “(8) PARENTS.—The term ‘parents’ means bio-  
9 logical or adoptive parents or legal guardians, as de-  
10 termined by applicable State law.

11           “(9) STATE.—The term ‘State’ means the 50  
12 States and the District of Columbia.

13           “(10) VOLUNTARY PLACEMENT.—The term  
14 ‘voluntary placement’ means an out-of-home place-  
15 ment of a minor, by or with participation of the  
16 State, after the parents or guardians of the minor  
17 have requested the assistance of the State and  
18 signed a voluntary placement agreement.

19           “(11) VOLUNTARY PLACEMENT AGREEMENT.—  
20 The term ‘voluntary placement agreement’ means a  
21 written agreement, binding on the parties to the  
22 agreement, between the State, any other agency act-  
23 ing on its behalf, and the parents or guardians of a  
24 minor child which specifies, at a minimum, the legal  
25 status of the child and the rights and obligations of

1 the parents or guardians, the child, and the agency  
 2 while the child is in placement.”.

3 **SEC. 702. CONFORMING AMENDMENTS.**

4 (a) AMENDMENTS TO PART D OF TITLE IV OF THE  
 5 SOCIAL SECURITY ACT.—

6 (1) Section 452(a)(10)(C) of the Social Security  
 7 Act (42 U.S.C. 652(a)(10)(C)), as amended by sec-  
 8 tion 108(b)(2) of this Act, is amended by striking  
 9 “or under section 471(a)(17)”.

10 (2) Section 452(g)(2)(A) of such Act (42  
 11 U.S.C. 652(g)(2)(A)), as amended by paragraphs  
 12 (6) and (7) of section 108(b), is amended by insert-  
 13 ing “or benefits or services for foster care mainte-  
 14 nance were being provided under the State program  
 15 funded under part E” after “part A” each place it  
 16 appears.

17 (3) Section 466(a)(3)(B) of such Act (42  
 18 U.S.C. 666(a)(3)(B)), as amended by section  
 19 108(b)(14), is amended by striking “or 471(a)(17)”.

20 (b) AMENDMENT TO SECTION 9442 OF THE OMNI-  
 21 BUS BUDGET RECONCILIATION ACT OF 1986.—Section  
 22 9442(4) of the Omnibus Budget Reconciliation Act of  
 23 1986 (42 U.S.C. 679a(4)) is amended by inserting “(as  
 24 in effect before October 1, 1995)” after “Act”.

1 (c) REDESIGNATION AND AMENDMENTS OF SECTION  
2 1123.—

3 (1) REDESIGNATION.—The Social Security Act  
4 is amended by redesignating section 1123, the sec-  
5 ond place it appears (42 U.S.C. 1320a–1a), as sec-  
6 tion 1123A.

7 (2) AMENDMENTS.—Section 1123A of such  
8 Act, as so redesignated, is amended in subsection  
9 (a)—

10 (A) by striking “The Secretary” and in-  
11 serting “Notwithstanding section 423(g), the  
12 Secretary”; and

13 (B) in paragraph (2), by inserting “under  
14 this section” after “promulgated”.

15 **CHAPTER 2—FOSTER CARE, ADOPTION**  
16 **ASSISTANCE, AND INDEPENDENT LIV-**  
17 **ING PROGRAMS**

18 **SEC. 711. CONFORMING AMENDMENTS TO PART E OF TITLE**

19 **IV.**

20 (a) PURPOSE; APPROPRIATION.—Section 470 of the  
21 Social Security Act (42 U.S.C 670) is amended—

22 (1) by amending the heading to read as follows:  
23 **“SEC. 470. PURPOSE; APPROPRIATION.”**; and

24 (2) in the second sentence, by striking “this  
25 part” and inserting “section 422”.



1 (b) STATE PLAN FOR FOSTER CARE AND ADOPTION  
 2 ASSISTANCE.—Section 471 of such Act (42 U.S.C. 671)  
 3 is amended to read as follows:

4 **“SEC. 471. ELIGIBLE STATES.**

5 “In order for a State to be eligible for payments  
 6 under this part, the State shall have submitted to the Sec-  
 7 retary a plan which satisfies the requirements of section  
 8 422.”.

9 (c) FOSTER CARE MAINTENANCE PAYMENTS PRO-  
 10 GRAM.—Section 472 of such Act (42 U.S.C. 672) is  
 11 amended to read as follows:

12 **“SEC. 472. REQUIREMENTS FOR FOSTER CARE MAINTENANCE**  
 13 **PAYMENTS.**

14 “(a) IN GENERAL.—Each State operating a program  
 15 under this part shall make foster care maintenance pay-  
 16 ments, as defined in section 426(6) with respect to a child  
 17 who would meet the requirements of section 406(a) (as  
 18 in effect on the day before the date of the enactment of  
 19 the Personal Responsibility and Work Opportunity Act of  
 20 1996) or of section 407 (as so in effect) but for the re-  
 21 moval of the child from the home of a relative (specified  
 22 in section 406(a) (as so in effect)), if—

23 “(1) the removal from the home occurred pur-  
 24 suant to a voluntary placement agreement entered  
 25 into by the child’s parent or legal guardian, or was

1 the result of a judicial determination to the effect  
2 that continuation therein would be contrary to the  
3 welfare of such child and that reasonable efforts of  
4 the type described in section 422(a)(12) have been  
5 made;

6 “(2) such child’s placement and care are the re-  
7 sponsibility of—

8 “(A) the State; or

9 “(B) any other public agency with which  
10 the State has made an agreement for the ad-  
11 ministration of the State program under this  
12 part which is still in effect;

13 “(3) such child has been placed in a foster fam-  
14 ily home or child-care institution as a result of the  
15 voluntary placement agreement or judicial deter-  
16 mination referred to in paragraph (1); and

17 “(4) such child—

18 “(A) would have been eligible to receive aid  
19 under the eligibility standards under the State  
20 plan approved under section 402 (as in effect  
21 on the day before the date of the enactment of  
22 this part and adjusted for inflation, in accord-  
23 ance with regulations issued by the Secretary)  
24 in or for the month in which such agreement  
25 was entered into or court proceedings leading to

1           the removal of such child from the home were  
2           initiated; or

3           “(B) would have received such aid in or for  
4           such month if application had been made there-  
5           for, or the child had been living with a relative  
6           specified in section 406(a) (as so in effect)  
7           within 6 months prior to the month in which  
8           such agreement was entered into or such pro-  
9           ceedings were initiated, and would have received  
10          such aid in or for such month if in such month  
11          such child had been living with such a relative  
12          and application therefor had been made.

13          “(b) LIMITATION ON FOSTER CARE PAYMENTS.—  
14          Foster care maintenance payments may be made under  
15          this part only on behalf of a child described in subsection  
16          (a) of this section who is—

17                 “(1) in the foster family home of an individual,  
18                 whether the payments therefore are made to such in-  
19                 dividual or to a public or private child placement or  
20                 child-care agency; or

21                 “(2) in a child-care institution, whether the  
22                 payments therefore are made to such institution or  
23                 to a public or private child-placement or child-care  
24                 agency, which payments shall be limited so as to in-  
25                 clude in such payments only those items which are

1 included in the term ‘foster care maintenance pay-  
2 ments’ (as defined in section 426(6)).

3 “(c) VOLUNTARY PLACEMENTS.—

4 “(1) SATISFACTION OF CHILD PROTECTION  
5 STANDARDS.—Notwithstanding any other provision  
6 of this section, Federal payments may be made  
7 under this part with respect to amounts expended by  
8 any State as foster care maintenance payments  
9 under this part, in the case of children removed  
10 from their homes pursuant to voluntary placement  
11 agreements as described in subsection (a), only if (at  
12 the time such amounts were expended) the State has  
13 fulfilled all of the requirements of section  
14 422(a)(11).

15 “(2) REMOVAL IN EXCESS OF 180 DAYS.—No  
16 Federal payment may be made under this part with  
17 respect to amounts expended by any State as foster  
18 care maintenance payments, in the case of any child  
19 who was removed from such child’s home pursuant  
20 to a voluntary placement agreement as described in  
21 subsection (a) and has remained in voluntary place-  
22 ment for a period in excess of 180 days, unless there  
23 has been a judicial determination by a court of com-  
24 petent jurisdiction (within the first 180 days of such

1 placement) that such placement is in the best inter-  
 2 ests of the child.

3 “(3) DEEMED REVOCATION OF AGREEMENTS.—

4 In any case where—

5 “(A) the placement of a minor child in fos-  
 6 ter care occurred pursuant to a voluntary place-  
 7 ment agreement entered into by the parents or  
 8 guardians of such child as provided in sub-  
 9 section (a); and

10 “(B) such parents or guardians request (in  
 11 such manner and form as the Secretary may  
 12 prescribe) that the child be returned to their  
 13 home or to the home of a relative,  
 14 the voluntary placement agreement shall be deemed  
 15 to be revoked unless the State opposes such request  
 16 and obtains a judicial determination, by a court of  
 17 competent jurisdiction, that the return of the child  
 18 to such home would be contrary to the child’s best  
 19 interests.”.

20 (d) ADOPTION ASSISTANCE PROGRAM.—Section 473  
 21 of such Act (42 U.S.C. 673) is amended to read as follows:

22 **“SEC. 473. REQUIREMENTS FOR ADOPTION ASSISTANCE**  
 23 **PAYMENTS.**

24 “(a) IN GENERAL.—A State operating a program  
 25 under this part shall enter into adoption assistance agree-

1 ments with the adoptive parents of children with special  
2 needs.

3 “(b) PAYMENTS UNDER AGREEMENTS.—

4 “(1) IN GENERAL.—Under any adoption assist-  
5 ance agreement entered into by a State with parents  
6 who adopt a child with special needs, the State—

7 “(A) shall make payments of nonrecurring  
8 adoption expenses incurred by or on behalf of  
9 such parents in connection with the adoption of  
10 such child, directly through the State agency or  
11 through another public or nonprofit private  
12 agency, in amounts determined under sub-  
13 section (d), and

14 “(B) in any case where the child meets the  
15 requirements of subsection (c), may make adop-  
16 tion assistance payments to such parents, di-  
17 rectly through the State agency or through an-  
18 other public or nonprofit private agency, in  
19 amounts so determined.

20 “(2) DEFINITION OF NONRECURRING ADOPTION  
21 EXPENSES.—

22 “(A) IN GENERAL.—For purposes of para-  
23 graph (1)(A), the term ‘nonrecurring adoption  
24 expenses’ means reasonable and necessary  
25 adoption fees, court costs, attorney fees, and

1           other expenses which are directly related to the  
2           legal adoption of a child with special needs and  
3           which are not incurred in violation of State or  
4           Federal law.

5                   “(B) TREATMENT AS AN ADMINISTRATIVE  
6           EXPENSE.—A State’s payment of nonrecurring  
7           adoption expenses under an adoption assistance  
8           agreement shall be treated as an expenditure  
9           made for the proper and efficient administra-  
10          tion of the State plan for purposes of section  
11          474(a)(3)(E).

12          “(c) CHILDREN WITH SPECIAL NEEDS.—For pur-  
13       poses of subsection (b)(1)(B), a child meets the require-  
14       ments of this subsection if such child—

15                   “(1)(A) at the time adoption proceedings were  
16       initiated, met the requirements of section 406(a) (as  
17       in effect on the day before the date of the enactment  
18       of the Personal Responsibility and Work Oppor-  
19       tunity Act of 1996) or section 407 (as so in effect)  
20       or would have met such requirements except for  
21       such child’s removal from the home of a relative  
22       (specified in section 406(a) (as so in effect)), either  
23       pursuant to a voluntary placement agreement with  
24       respect to which Federal payments are provided  
25       under section 474 (or 403 (as so in effect)) or as

1 a result of a judicial determination to the effect that  
2 continuation therein would be contrary to the wel-  
3 fare of such child;

4 “(B) meets all of the requirements of title XVI  
5 with respect to eligibility for supplemental security  
6 income benefits; or

7 “(C) is a child whose costs in a foster family  
8 home or child-care institution are covered by the fos-  
9 ter care maintenance payments being made with re-  
10 spect to his or her minor parent;

11 “(2)(A) would have received aid under the eligi-  
12 bility standards under the State plan approved  
13 under section 402 (as in effect on the day before the  
14 date of the enactment of this part, adjusted for in-  
15 flation, in accordance with regulations issued by the  
16 Secretary) in or for the month in which such agree-  
17 ment was entered into or court proceedings leading  
18 to the removal of such child from the home were ini-  
19 tiated;

20 “(B) would have received such aid in or for  
21 such month if application had been made therefor,  
22 or had been living with a relative specified in section  
23 406(a) (as so in effect) within 6 months prior to the  
24 month in which such agreement was entered into or  
25 such proceedings were initiated, and would have re-



1       ceived such aid in or for such month if in such  
2       month such child had been living with such a rel-  
3       ative and application therefor had been made; or

4           “(C) is a child described in subparagraph (A)  
5       or (B); and

6           “(3) has been determined by the State, pursu-  
7       ant to subsection (g) of this section, to be a child  
8       with special needs.

9       “(d) DETERMINATION OF PAYMENTS.—The amount  
10   of the payments to be made in any case under subsection  
11   (b) shall be determined through agreement between the  
12   adoptive parents and the State or a public or nonprofit  
13   private agency administering the program under this part,  
14   which shall take into consideration the circumstances of  
15   the adopting parents and the needs of the child being  
16   adopted, and may be readjusted periodically, with the con-  
17   currence of the adopting parents (which may be specified  
18   in the adoption assistance agreement), depending upon  
19   changes in such circumstances. However, in no case may  
20   the amount of the adoption assistance payment exceed the  
21   foster care maintenance payment which would have been  
22   paid during the period if the child with respect to whom  
23   the adoption assistance payment is made had been in a  
24   foster family home.

1       “(e) PAYMENT EXCEPTION.—Notwithstanding sub-  
2 section (d), no payment may be made to parents with re-  
3 spect to any child who has attained the age of 18 (or,  
4 where the State determines that the child has a mental  
5 or physical disability which warrants the continuation of  
6 assistance, the age of 21), and no payment may be made  
7 to parents with respect to any child if the State determines  
8 that the parents are no longer legally responsible for the  
9 support of the child or if the State determines that the  
10 child is no longer receiving any support from such parents.  
11 Parents who have been receiving adoption assistance pay-  
12 ments under this part shall keep the State or public or  
13 nonprofit private agency administering the program under  
14 this part informed of circumstances which would, pursu-  
15 ant to this section, make them ineligible for such assist-  
16 ance payments, or eligible for assistance payments in a  
17 different amount.

18       “(f) PREADoption PAYMENTS.—For purposes of  
19 this part, individuals with whom a child who has been de-  
20 termined by the State, pursuant to subsection (g), to be  
21 a child with special needs is placed for adoption in accord-  
22 ance with applicable State and local law shall be eligible  
23 for adoption assistance payments during the period of the  
24 placement, on the same terms and subject to the same  
25 conditions as if such individuals had adopted such child.

1       “(g) DETERMINATION OF CHILD WITH SPECIAL  
2 NEEDS.—For purposes of this section, a child shall not  
3 be considered a child with special needs unless—

4           “(1) the State has determined that the child  
5 cannot or should not be returned to the home of the  
6 child’s parents; and

7           “(2) the State had first determined—

8           “(A) that there exists with respect to the  
9 child a specific factor or condition such as the  
10 child’s ethnic background, age, or membership  
11 in a minority or sibling group, or the presence  
12 of factors such as medical conditions or phys-  
13 ical, mental, or emotional handicaps because of  
14 which it is reasonable to conclude that such  
15 child cannot be placed with adoptive parents  
16 without providing adoption assistance under  
17 this part or medical assistance under title XV  
18 or XIX; and

19           “(B) that, except where it would be  
20 against the best interests of the child because  
21 of such factors as the existence of significant  
22 emotional ties with prospective adoptive parents  
23 while in the care of such parents as a foster  
24 child, a reasonable, but unsuccessful, effort has  
25 been made to place the child with appropriate

1           adoptive parents without providing adoption as-  
 2           sistance under this section or medical assistance  
 3           under title XV or XIX.”.

4           (e) PAYMENTS TO STATES; ALLOTMENTS TO  
 5 STATES.—Section 474 of such Act (42 U.S.C. 674) is  
 6 amended to read as follows:

7 **“SEC. 474. PAYMENTS TO STATES; ALLOTMENTS TO STATES.**

8           “(a) FOSTER CARE, ADOPTION ASSISTANCE, AND  
 9 INDEPENDENT LIVING PROGRAMS PAYMENTS.—Each eli-  
 10 gible State, as determined under section 471, shall be enti-  
 11 tled to receive from the Secretary for each quarter of each  
 12 fiscal year a payment equal to the sum of—

13           “(1) an amount equal to the Federal medical  
 14 assistance percentage (as defined in section 1905(b)  
 15 of this Act as in effect on the day before the date  
 16 of the enactment of the Personal Responsibility and  
 17 Work Opportunity Act of 1996) of the total amount  
 18 expended during such quarter as foster care mainte-  
 19 nance payments under the child protection program  
 20 under this part for children in foster family homes  
 21 or child-care institutions; plus

22           “(2) an amount equal to the Federal medical  
 23 assistance percentage (as defined in section 1905(b)  
 24 of this Act (as so in effect)) of the total amount ex-  
 25 pended during such quarter as adoption assistance

1        payments under the child protection program under  
2        this part pursuant to adoption assistance agree-  
3        ments; plus

4            “(3) an amount equal to the sum of the follow-  
5        ing proportions of the total amounts expended dur-  
6        ing such quarter as found necessary by the Sec-  
7        retary for the provision of child placement services  
8        and for the proper and efficient administration of  
9        the State foster care and adoption assistance pro-  
10       gram—

11            “(A) 75 percent of so much of such ex-  
12        penditures as are for the training (including  
13        both short and long-term training at edu-  
14        cational institutions through grants to such in-  
15        stitutions or by direct financial assistance to  
16        students enrolled in such institutions) of per-  
17        sonnel employed or preparing for employment  
18        by the State agency or by the local agency ad-  
19        ministering the plan in the political subdivision;

20            “(B) 75 percent of so much of such ex-  
21        penditures (including travel and per diem ex-  
22        penses) as are for the short-term training of  
23        current or prospective foster or adoptive par-  
24        ents and the members of the staff of State-li-  
25        censed or State-approved child care institutions

1 providing care to foster and adopted children  
2 receiving assistance under this part, in ways  
3 that increase the ability of such current or pro-  
4 spective parents, staff members, and institu-  
5 tions to provide support and assistance to foster  
6 and adopted children, whether incurred directly  
7 by the State or by contract;

8 “(C) 50 percent of so much of such ex-  
9 penditures as are for the planning, design, de-  
10 velopment, or installation of statewide mecha-  
11 nized data collection and information retrieval  
12 systems (including 50 percent of the full  
13 amount of expenditures for hardware compo-  
14 nents for such systems) but only to the extent  
15 that such systems—

16 “(i) meet the requirements imposed  
17 by regulations;

18 “(ii) to the extent practicable, are ca-  
19 pable of interfacing with the State data  
20 collection system that collects information  
21 relating to child abuse and neglect;

22 “(iii) to the extent practicable, have  
23 the capability of interfacing with, and re-  
24 trieval information from, the State data  
25 collection system that collects information

1 relating to the eligibility of individuals  
2 under part A (for the purposes of facilitat-  
3 ing verification of eligibility of foster chil-  
4 dren); and

5 “(iv) are determined by the Secretary  
6 to be likely to provide more efficient, eco-  
7 nomical, and effective administration of  
8 the programs carried out under a State  
9 plan approved under this part;

10 “(D) 50 percent of so much of such ex-  
11 penditures as are for the operation of the state-  
12 wide mechanized data collection and informa-  
13 tion retrieval systems referred to in subpara-  
14 graph (C); and

15 “(E) one-half of the remainder of such ex-  
16 penditures; plus

17 “(4) an amount equal to the sum of—

18 “(A) so much of the amounts expended by  
19 such State to carry out a program under sec-  
20 tion 476, as do not exceed the basic amount for  
21 such State determined under subsection (e)(1)  
22 of such section; and

23 “(B) the lesser of—

1                   “(i) one-half of any additional  
2                   amounts expended by such State for such  
3                   programs; or

4                   “(ii) the maximum additional amount  
5                   for such State under subsection (e)(1) of  
6                   such section.

7           “(b) AUTOMATED DATA COLLECTION EXPENDI-  
8 TURES.—The Secretary shall treat as necessary for the  
9 proper and efficient administration of the State plan all  
10 expenditures of a State necessary in order for the State  
11 to plan, design, develop, install, and operate data collec-  
12 tion and information retrieval systems, without regard to  
13 whether the systems may be used with respect to foster  
14 or adoptive children other than those on behalf of whom  
15 foster care maintenance payments or adoption assistance  
16 payments may be made under this part.

17           “(c) ESTIMATES BY THE SECRETARY.—

18                   “(1) IN GENERAL.—The Secretary shall, prior  
19                   to the beginning of each quarter, estimate the  
20                   amount which a State will be entitled to receive  
21                   under subsection (a) for such quarter, such esti-  
22                   mates to be based on—

23                   “(A) a report filed by the State containing  
24                   its estimate of the total sum to be expended in  
25                   such quarter in accordance with subsection (a),



1           and stating the amount appropriated or made  
2           available by the State and its political subdivi-  
3           sions for such expenditures in such quarter, and  
4           if such amount is less than the State's propor-  
5           tionate share of the total sum of such estimated  
6           expenditures, the source or sources from which  
7           the difference is expected to be derived;

8           “(B) records showing the number of chil-  
9           dren in the State receiving assistance under  
10          this part; and

11          “(C) such other information as the Sec-  
12          retary may find necessary.

13          “(2) PAYMENTS.—The Secretary shall pay to  
14          the States the amounts so estimated under para-  
15          graph (1), reduced or increased to the extent of any  
16          overpayment or underpayment which the Secretary  
17          determines was made under this subsection to such  
18          State for any prior quarter and with respect to  
19          which adjustment has not already been made under  
20          this subsection.

21          “(3) PRO RATA SHARE.— The pro rata share to  
22          which the United States is equitably entitled, as de-  
23          termined by the Secretary, of the net amount recov-  
24          ered during any quarter by the State or any political  
25          subdivision thereof with respect to foster care and

1 adoption assistance furnished under this part shall  
2 be considered an overpayment to be adjusted under  
3 this subsection.

4 “(d) ALLOWANCE OR DISALLOWANCE OF CLAIM.—

5 “(1) IN GENERAL.—Within 60 days after re-  
6 ceipt of a State claim for expenditures pursuant to  
7 subsection (b)(1), the Secretary shall allow, disallow,  
8 or defer such claim.

9 “(2) NOTICE.—Within 15 days after a decision  
10 to defer a State claim, the Secretary shall notify the  
11 State of the reasons for the deferral and of the addi-  
12 tional information necessary to determine the allow-  
13 ability of the claim.

14 “(3) DECISION.—Within 90 days after receiving  
15 such necessary information (in readily reviewable  
16 form), the Secretary shall—

17 “(A) disallow the claim, if able to complete  
18 the review and determine that the claim is not  
19 allowable; or

20 “(B) in any other case, allow the claim,  
21 subject to disallowance (as necessary)—

22 “(i) upon completion of the review, if  
23 it is determined that the claim is not allow-  
24 able; or

1 “(ii) on the basis of findings of an  
2 audit or financial management review.”.

3 (f) DEFINITIONS.—Section 475 of such Act (42  
4 U.S.C. 675) is amended to read as follows:

5 **“SEC. 475. DEFINITIONS.**

6 For definitions of terms used in this part, see section  
7 426.”.

8 (g) TECHNICAL ASSISTANCE; DATA COLLECTION  
9 AND EVALUATION.—Part E of title IV of such Act is  
10 amended by striking section 476.

11 (h) INDEPENDENT LIVING INITIATIVES.—Part E of  
12 title IV of such Act (42 U.S.C. 670 et seq.), as amended  
13 by subsection (g), is amended—

14 (1) by redesignating section 477 as section 476;  
15 and

16 (2) by amending section 476, as so redesign-  
17 nated, to read as follows:

18 **“SEC. 476. REQUIREMENTS FOR INDEPENDENT LIVING**  
19 **PROGRAMS.**

20 “(a) PAYMENTS FOR INDEPENDENT LIVING PRO-  
21 GRAMS.—

22 “(1) IN GENERAL.—Payments shall be made in  
23 accordance with this section for the purpose of as-  
24 sisting States and localities in establishing and car-  
25 rying out programs designed to assist children de-

1 scribed in paragraph (2) who have attained age 16  
2 in making the transition from foster care to inde-  
3 pendent living. Any State which provides for the es-  
4 tablishment and carrying out of one or more such  
5 programs in accordance with this section for a fiscal  
6 year shall be entitled to receive payments under this  
7 section for such fiscal year, in an amount deter-  
8 mined under subsection (e).

9 “(2) PROGRAM REQUIREMENTS.—A program  
10 established and carried out under paragraph (1)—

11 “(A) shall be designed to assist children  
12 with respect to whom foster care maintenance  
13 payments are being made by the State under  
14 this part;

15 “(B) may at the option of the State also  
16 include any or all other children in foster care  
17 under the responsibility of the State; and

18 “(C) may at the option of the State also  
19 include any child who has not attained age 21  
20 to whom foster care maintenance payments  
21 were previously made by a State under this part  
22 and whose payments were discontinued on or  
23 after the date such child attained age 16, and  
24 any child who previously was in foster care de-  
25 scribed in subparagraph (B) and for whom such

1           care was discontinued on or after the date such  
2           child attained age 16; and a written transitional  
3           independent living plan of the type described in  
4           subsection (d)(6) shall be developed for such  
5           child as a part of such program.

6           “(b) USE OF FUNDS.—Payment under this section  
7   shall be made to the State, and shall be used for the pur-  
8   pose of conducting and providing in accordance with this  
9   section (directly or under contracts with local govern-  
10   mental entities or private nonprofit organizations) the ac-  
11   tivities and services required to carry out the program or  
12   programs involved.

13          “(c) SUBMISSION OF PROGRAM DESCRIPTION AND  
14   ASSURANCES.—In order for a State to receive payments  
15   under this section for any fiscal year, the State, prior to  
16   February 1 of such fiscal year, must submit to the Sec-  
17   retary, in such manner and form as the Secretary may  
18   prescribe, a description of the program together with satis-  
19   factory assurances that the program will be operated in  
20   an effective and efficient manner and will otherwise meet  
21   the requirements of this section.

22          “(d) PROGRAM OBJECTIVES.—In carrying out the  
23   purpose described in subsection (a), it shall be the objec-  
24   tive of each program established under this section to help  
25   the individuals participating in such program to prepare

1 to live independently upon leaving foster care. Such pro-  
2 grams may include (subject to the availability of funds)  
3 programs to—

4 “(1) enable participants to seek a high school  
5 diploma or its equivalent or to take part in appro-  
6 priate vocational training;

7 “(2) provide training in daily living skills, budg-  
8 eting, locating and maintaining housing, and career  
9 planning;

10 “(3) provide for individual and group counsel-  
11 ing;

12 “(4) integrate and coordinate services otherwise  
13 available to participants;

14 “(5) provide for the establishment of outreach  
15 programs designed to attract individuals who are eli-  
16 gible to participate in the program;

17 “(6) provide each participant a written transi-  
18 tional independent living plan which shall be based  
19 on an assessment of his needs, and which shall be  
20 incorporated into his case plan, as defined in section  
21 426(3); and

22 “(7) provide participants with other services  
23 and assistance designed to improve their transition  
24 to independent living.

25 “(e) DETERMINATION OF PAYMENTS.—

1 “(1) BASIC AMOUNT.—

2 “(A) IN GENERAL.—The basic amount to  
3 which a State shall be entitled under section  
4 474(a)(4) for a fiscal year shall be an amount  
5 which bears the same ratio to the basic ceiling  
6 for such fiscal year as such State’s average  
7 number of children receiving foster care mainte-  
8 nance payments under part E in fiscal year  
9 1984 bore to the total of the average number  
10 of children receiving such payments under such  
11 part for all States for fiscal year 1984.

12 “(B) MAXIMUM ADDITIONAL AMOUNT.—  
13 The maximum additional amount to which a  
14 State shall be entitled under section 474(a)(4)  
15 for a fiscal year shall be an amount which bears  
16 the same ratio to the additional ceiling for such  
17 fiscal year as the basic amount of such State  
18 bears to \$45,000,000.

19 “(C) DEFINITIONS.—For purposes of this  
20 section:

21 “(i) BASIC CEILING.—The term ‘basic  
22 ceiling’ means, for any fiscal year,  
23 \$45,000,000.

1                   “(ii)    ADDITIONAL    CEILING.—The  
2                   term ‘additional ceiling’ means, for any fis-  
3                   cal year, \$25,000,000.

4                   “(2) REALLOCATION OF FUNDS.—If any State  
5                   does not apply for funds under this section for any  
6                   fiscal year within the time provided in subsection  
7                   (c), the funds to which such State would have been  
8                   entitled for such fiscal year shall be reallocated to  
9                   one or more other States on the basis of their rel-  
10                  ative need for additional payments under this section  
11                  (as determined by the Secretary).

12                  “(3) SUPPLEMENT TO OTHER FUNDS.—Any  
13                  amounts payable to States under this section shall  
14                  be in addition to amounts payable to States under  
15                  paragraphs (1), (2), and (3) of section 474(a), and  
16                  shall supplement and not replace any other funds  
17                  which may be available for the same general pur-  
18                  poses in the localities involved.

19                  “(f) LIMITATION ON USE OF FUNDS.—Payments  
20                  made to a State under this section for any fiscal year—

21                       “(1) shall be used only for the specific purposes  
22                       described in this section;

23                       “(2) may not be used for the provision of room  
24                       or board;



1           “(3) may be made on an estimated basis in ad-  
2           vance of the determination of the exact amount, with  
3           appropriate subsequent adjustments to take account  
4           of any error in the estimates; and

5           “(4) shall be expended by such State in such  
6           fiscal year or in the succeeding fiscal year.

7           “(g) REPORTING REQUIREMENTS.—Not later than  
8           the first January 1 following the end of each fiscal year,  
9           each State shall submit to the Secretary a report on the  
10          programs carried out during such fiscal year with the  
11          amounts received under this section. Such report shall be  
12          in such form and contain such information as may be nec-  
13          essary to provide an accurate description of such activities,  
14          to provide a complete record of the purposes for which  
15          the funds were spent, and to indicate the extent to which  
16          the expenditure of such funds succeeded in accomplishing  
17          the purpose described in subsection (a).

18          “(h) ASSISTANCE NOT CONSIDERED INCOME OR RE-  
19          SOURCES.—Notwithstanding any other provision of this  
20          title, payments made and services provided to participants  
21          in a program under this section, as a direct consequence  
22          of their participation in such program, shall not be consid-  
23          ered as income or resources for purposes of determining  
24          eligibility (or the eligibility of any other persons) for as-  
25          sistance under the State’s plan approved under this part

1 or part A, or for purposes of determining the level of such  
2 assistance.”.

3 (i) COLLECTION OF DATA RELATING TO ADOPTION  
4 AND FOSTER CARE.—Part E of title IV of such Act (42  
5 U.S.C. 670 et seq.) is amended—

6 (1) by redesignating section 479 as section 477;

7 and

8 (2) by amending section 477, as so redesign-  
9 nated, to read as follows:

10 **“SEC. 477. COLLECTION OF DATA RELATING TO ADOPTION**  
11 **AND FOSTER CARE.**

12 “For requirements with respect to the collection of  
13 data relating to adoption and foster care, see section  
14 424.”.

### 15 **CHAPTER 3—MISCELLANEOUS**

16 **SEC. 731. SECRETARIAL SUBMISSION OF LEGISLATIVE PRO-**  
17 **POSAL FOR TECHNICAL AND CONFORMING**  
18 **AMENDMENTS.**

19 Not later than 90 days after the date of the enact-  
20 ment of this subtitle, the Secretary of Health and Human  
21 Services, in consultation, as appropriate, with the heads  
22 of other Federal agencies, shall submit to the appropriate  
23 committees of Congress a legislative proposal providing for  
24 such technical and conforming amendments in the law as  
25 are required by the provisions of this subtitle.

1 **SEC. 732. SENSE OF THE CONGRESS REGARDING TIMELY**  
2 **ADOPTION OF CHILDREN.**

3 It is the sense of the Congress that—

4 (1) too many children who wish to be adopted  
5 are spending inordinate amounts of time in foster  
6 care;

7 (2) there is an urgent need for States to in-  
8 crease the number of waiting children being adopted  
9 in a timely and lawful manner;

10 (3) studies have shown that States spend an ex-  
11 cess of \$15,000 each year on each special needs  
12 child in foster care, and would save significant  
13 amounts of money if they offered incentives to fami-  
14 lies to adopt special needs children;

15 (4) States should allocate sufficient funds under  
16 this title for adoption assistance and medical assist-  
17 ance to encourage more families to adopt children  
18 who otherwise would languish in the foster care sys-  
19 tem for a period that many experts consider det-  
20 rimental to their development;

21 (5) States should offer incentives for families  
22 that adopt special needs children to make adoption  
23 more affordable for middle-class families;

24 (6) when it is necessary for a State to remove  
25 a child from the home of the child's biological par-  
26 ents, the State should strive—

1 (A) to provide the child with a single foster  
2 care placement and a single coordinated case  
3 team; and

4 (B) to conclude an adoption of the child,  
5 when adoption is the goal of the child and the  
6 State, within one year of the child's placement  
7 in foster care; and

8 (7) States should participate in local, regional,  
9 or national programs to enable maximum visibility of  
10 waiting children to potential parents. Such programs  
11 should include a nationwide, interactive computer  
12 network to disseminate information on children eligi-  
13 ble for adoption to help match them with families  
14 around the country.

15 **SEC. 733. EFFECTIVE DATE; TRANSITION RULES.**

16 (a) EFFECTIVE DATE.—

17 (1) IN GENERAL.—Except as provided in para-  
18 graph (2), this subtitle and the amendments made  
19 by this subtitle shall be effective on and after Octo-  
20 ber 1, 1996.

21 (2) EXCEPTION.—Section 425 of part B of title  
22 IV of the Social Security Act, as added by section  
23 701, section 702(a), and section 704 shall take ef-  
24 fect on the date of the enactment of this subtitle.

1           (3) TEMPORARY REDESIGNATION OF SECTION  
2           425.—During the period beginning on the date of the  
3           enactment of this subtitle and ending on October 1,  
4           1996, section 425 of part B of title IV of the Social  
5           Security Act, as added by section 701, shall be re-  
6           designated as section 425A.

7           (b) TRANSITION RULES.—

8           (1) CLAIMS, ACTIONS, AND PROCEEDINGS.—  
9           The amendments made by this subtitle shall not  
10          apply with respect to—

11               (A) powers, duties, functions, rights,  
12               claims, penalties, or obligations applicable to  
13               aid, assistance, or services provided before the  
14               effective date of this subtitle under the provi-  
15               sions amended; and

16               (B) administrative actions and proceedings  
17               commenced before such date, or authorized be-  
18               fore such date to be commenced, under such  
19               provisions.

20          (2) CLOSING OUT ACCOUNT FOR THOSE PRO-  
21          GRAMS TERMINATED OR SUBSTANTIALLY MODIFIED  
22          BY THIS SUBTITLE.—In closing out accounts, Fed-  
23          eral and State officials may use scientifically accept-  
24          able statistical sampling techniques. Claims made  
25          under programs which are repealed or substantially

1       amended in this subtitle and which involve State ex-  
 2       penditures in cases where assistance or services were  
 3       provided during a prior fiscal year, shall be treated  
 4       as expenditures during fiscal year 1995 for purposes  
 5       of reimbursement even if payment was made by a  
 6       State on or after October 1, 1995. States shall com-  
 7       plete the filing of all claims no later than September  
 8       30, 1997. Federal department heads shall—

9               (A) use the single audit procedure to re-  
 10       view and resolve any claims in connection with  
 11       the closeout of programs; and

12              (B) reimburse States for any payments  
 13       made for assistance or services provided during  
 14       a prior fiscal year from funds for fiscal year  
 15       1995, rather than the funds authorized by this  
 16       subtitle.

## 17       **Subtitle B—Child and Family** 18       **Services Block Grant**

### 19       **SEC. 751. CHILD AND FAMILY SERVICES BLOCK GRANT.**

20       The Child Abuse Prevention and Treatment Act (42  
 21       U.S.C. 5101 et seq.) is amended to read as follows:

#### 22       **“SECTION 1. SHORT TITLE.**

23       “‘This Act may be cited as the ‘Child and Family  
 24       Services Block Grant Act of 1996’.

1 **“SEC. 2. FINDINGS.**

2 “The Congress finds the following:

3 “(1) Each year, close to 1,000,000 American  
4 children are victims of abuse and neglect.

5 “(2) Many of these children and their families  
6 fail to receive adequate protection or treatment.

7 “(3) The problem of child abuse and neglect re-  
8 quires a comprehensive approach that—

9 “(A) integrates the work of social service,  
10 legal, health, mental health, education, and sub-  
11 stance abuse agencies and organizations;

12 “(B) strengthens coordination among all  
13 levels of government, and with private agencies,  
14 civic, religious, and professional organizations,  
15 and individual volunteers;

16 “(C) emphasizes the need for abuse and  
17 neglect prevention, assessment, investigation,  
18 and treatment at the neighborhood level;

19 “(D) ensures properly trained and support  
20 staff with specialized knowledge, to carry out  
21 their child protection duties; and

22 “(E) is sensitive to ethnic and cultural di-  
23 versity.

24 “(4) The child protection system should be  
25 comprehensive, child-centered, family-focused, and  
26 community-based, should incorporate all appropriate

1 measures to prevent the occurrence or recurrence of  
2 child abuse and neglect, and should promote physical  
3 and psychological recovery and social reintegration  
4 in an environment that fosters the health, safety,  
5 self-respect, and dignity of the child.

6 “(5) The Federal Government should provide  
7 leadership and assist communities in their child and  
8 family protection efforts by—

9 “(A) generating and sharing knowledge  
10 relevant to child and family protection, includ-  
11 ing the development of models for service deliv-  
12 ery;

13 “(B) strengthening the capacity of States  
14 to assist communities;

15 “(C) helping communities to carry out  
16 their child and family protection plans by pro-  
17 moting the competence of professional, para-  
18 professional, and volunteer resources; and

19 “(D) providing leadership to end the abuse  
20 and neglect of the Nation’s children and youth.

21 **“SEC. 3. PURPOSES.**

22 “The purposes of this Act are the following:

23 “(1) To assist each State in improving the child  
24 protective service systems of such State by—



1           “(A) improving risk and safety assessment  
2           tools and protocols;

3           “(B) developing, strengthening, and facili-  
4           tating training opportunities for individuals who  
5           are mandated to report child abuse or neglect  
6           or otherwise overseeing, investigating, prosecut-  
7           ing, or providing services to children and fami-  
8           lies who are at risk of abusing or neglecting  
9           their children; and

10          “(C) developing, implementing, or operat-  
11          ing information, education, training, or other  
12          programs designed to assist and provide serv-  
13          ices for families of disabled infants with life-  
14          threatening conditions.

15          “(2) To support State efforts to develop, oper-  
16          ate, expand and enhance a network of community-  
17          based, prevention-focused, family resource and sup-  
18          port programs that are culturally competent and  
19          that coordinate resources among existing education,  
20          vocational rehabilitation, disability, respite, health,  
21          mental health, job readiness, self-sufficiency, child  
22          and family development, community action, Head  
23          Start, child care, child abuse and neglect prevention,  
24          juvenile justice, domestic violence prevention and

1 intervention, housing, and other human service orga-  
2 nizations within the State.

3 “(3) To facilitate the elimination of barriers to  
4 adoption and to provide permanent and loving home  
5 environments for children who would benefit from  
6 adoption, particularly children with special needs, in-  
7 cluding disabled infants with life-threatening condi-  
8 tions, by—

9 “(A) promoting model adoption legislation  
10 and procedures in the States and territories of  
11 the United States in order to eliminate jurisdic-  
12 tional and legal obstacles to adoption;

13 “(B) providing a mechanism for the De-  
14 partment of Health and Human Services to—

15 “(i) promote quality standards for  
16 adoption services, preplacement, post-  
17 placement, and post-legal adoption counsel-  
18 ing, and standards to protect the rights of  
19 children in need of adoption;

20 “(ii) maintain a national adoption in-  
21 formation exchange system to bring to-  
22 gether children who would benefit from  
23 adoption and qualified prospective adoptive  
24 parents who are seeking such children, and  
25 conduct national recruitment efforts in

1                   order to reach prospective parents for chil-  
2                   dren awaiting adoption; and

3                   “(iii) demonstrate expeditious ways to  
4                   free children for adoption for whom it has  
5                   been determined that adoption is the ap-  
6                   propriate plan; and

7                   “(C) facilitating the identification and re-  
8                   cruitment of foster and adoptive families that  
9                   can meet children’s needs.

10                  “(4) To respond to the needs of children, in  
11                  particular those who are drug exposed or afflicted  
12                  with Acquired Immune Deficiency Syndrome  
13                  (AIDS), by supporting activities aimed at preventing  
14                  the abandonment of children, providing support to  
15                  children and their families, and facilitating the re-  
16                  cruitment and training of health and social service  
17                  personnel.

18                  “(5) To carry out any other activities as the  
19                  Secretary determines are consistent with this Act.

20   **“SEC. 4. DEFINITIONS.**

21                  “As used in this Act:

22                  “(1) CHILD.—The term ‘child’ means a person  
23                  who has not attained the lesser of—

24                  “(A) the age of 18; or

1           “(B) except in the case of sexual abuse,  
2           the age specified by the child protection law of  
3           the State in which the child resides.

4           “(2) CHILD ABUSE AND NEGLECT.—The term  
5           ‘child abuse and neglect’ means, at a minimum, any  
6           recent act or failure to act on the part of a parent  
7           or caretaker, which results in death, serious physical  
8           or emotional harm, sexual abuse or exploitation, or  
9           an act or failure to act which presents an imminent  
10          risk of serious harm.

11          “(3) FAMILY RESOURCE AND SUPPORT PRO-  
12          GRAMS.—The term ‘family resource and support  
13          program’ means a community-based, prevention-fo-  
14          cused entity that—

15               “(A) provides, through direct service, the  
16               core services required under this Act, includ-  
17               ing—

18                   “(i) parent education, support and  
19                   leadership services, together with services  
20                   characterized by relationships between par-  
21                   ents and professionals that are based on  
22                   equality and respect, and designed to assist  
23                   parents in acquiring parenting skills, learn-  
24                   ing about child development, and respond-

1 ing appropriately to the behavior of their  
2 children;

3 “(ii) services to facilitate the ability of  
4 parents to serve as resources to one an-  
5 other (such as through mutual support and  
6 parent self-help groups);

7 “(iii) early developmental screening of  
8 children to assess any needs of children,  
9 and to identify types of support that may  
10 be provided;

11 “(iv) outreach services provided  
12 through voluntary home visits and other  
13 methods to assist parents in becoming  
14 aware of and able to participate in family  
15 resources and support program activities;

16 “(v) community and social services to  
17 assist families in obtaining community re-  
18 sources; and

19 “(vi) followup services;

20 “(B) provides, or arranges for the provi-  
21 sion of, other core services through contracts or  
22 agreements with other local agencies; and

23 “(C) provides access to optional services,  
24 directly or by contract, purchase of service, or  
25 interagency agreement, including—

1 “(i) child care, early childhood devel-  
2 opment and early intervention services;

3 “(ii) self-sufficiency and life manage-  
4 ment skills training;

5 “(iii) education services, such as scho-  
6 lastic tutoring, literacy training, and Gen-  
7 eral Educational Degree services;

8 “(iv) job readiness skills;

9 “(v) child abuse and neglect preven-  
10 tion activities;

11 “(vi) services that families with chil-  
12 dren with disabilities or special needs may  
13 require;

14 “(vii) community and social service re-  
15 ferral;

16 “(viii) peer counseling;

17 “(ix) referral for substance abuse  
18 counseling and treatment; and

19 “(x) help line services.

20 “(4) INDIAN TRIBE AND TRIBAL ORGANIZA-  
21 TION.—The terms ‘Indian tribe’ and ‘tribal organi-  
22 zation’ shall have the same meanings given such  
23 terms in subsections (e) and (l), respectively, of sec-  
24 tion 4 of the Indian Self-Determination and Edu-  
25 cation Assistance Act (25 U.S.C. 450b(e) and (l)).

1           “(5) RESPITE SERVICES.—The term ‘respite  
2           services’ means short-term care services provided in  
3           the temporary absence of the regular caregiver (par-  
4           ent, other relative, foster parent, adoptive parent, or  
5           guardian) to children who—

6                   “(A) are in danger of abuse or neglect;

7                   “(B) have experienced abuse or neglect; or

8                   “(C) have disabilities, chronic, or terminal  
9           illnesses.

10          Such services shall be provided within or outside the  
11          home of the child, be short-term care (ranging from  
12          a few hours to a few weeks of time, per year), and  
13          be intended to enable the family to stay together and  
14          to keep the child living in the home and community  
15          of the child.

16          “(6) SECRETARY.—The term ‘Secretary’ means  
17          the Secretary of Health and Human Services.

18          “(7) SEXUAL ABUSE.—The term ‘sexual abuse’  
19          includes—

20                   “(A) the employment, use, persuasion, in-  
21                  ducement, enticement, or coercion of any child  
22                  to engage in, or assist any other person to en-  
23                  gage in, any sexually explicit conduct or simula-  
24                  tion of such conduct for the purpose of produc-  
25                  ing a visual depiction of such conduct; or

1                   “(B) the rape, molestation, prostitution, or  
2                   other form of sexual exploitation of children, or  
3                   incest with children.

4                   “(8) STATE.—The term ‘State’ means each of  
5                   the several States, the District of Columbia, the  
6                   Commonwealth of Puerto Rico, the Virgin Islands,  
7                   Guam, American Samoa, the Commonwealth of the  
8                   Northern Mariana Islands, and the Trust Territory  
9                   of the Pacific Islands.

10                  “(9) WITHHOLDING OF MEDICALLY INDICATED  
11                  TREATMENT.—The term ‘withholding of medically  
12                  indicated treatment’ means the failure to respond to  
13                  the infant’s life-threatening conditions by providing  
14                  treatment (including appropriate nutrition, hydra-  
15                  tion, and medication) which, in the treating physi-  
16                  cian’s or physicians’ reasonable medical judgment,  
17                  will be most likely to be effective in ameliorating or  
18                  correcting all such conditions, except that the term  
19                  does not include the failure to provide treatment  
20                  (other than appropriate nutrition, hydration, or  
21                  medication) to an infant when, in the treating physi-  
22                  cian’s or physicians’ reasonable medical judgment—

23                         “(A) the infant is chronically and irrevers-  
24                         ibly comatose;



1                   “(B) the provision of such treatment  
2                   would—

3                   “(i) merely prolong dying;

4                   “(ii) not be effective in ameliorating  
5                   or correcting all of the infant’s life-threat-  
6                   ening conditions; or

7                   “(iii) otherwise be futile in terms of  
8                   the survival of the infant; or

9                   “(C) the provision of such treatment would  
10                  be virtually futile in terms of the survival of the  
11                  infant and the treatment itself under such cir-  
12                  cumstances would be inhumane.

## 13                   **“TITLE I—GENERAL BLOCK** 14                   **GRANT**

### 15                  **“SEC. 101. CHILD AND FAMILY SERVICES BLOCK GRANTS.**

16                  “(a) ELIGIBILITY.—The Secretary shall award  
17                  grants to eligible States that file a State plan that is ap-  
18                  proved under section 102 and that otherwise meet the eli-  
19                  gibility requirements for grants under this title.

20                  “(b) AMOUNT OF GRANT.—The amount of a grant  
21                  made to each State under subsection (a) for a fiscal year  
22                  shall be based on the population of children under the age  
23                  of 18 residing in each State that applies for a grant under  
24                  this section.

1       “(c) USE OF AMOUNTS.—Amounts received by a  
 2 State under a grant awarded under subsection (a) shall  
 3 be used to carry out the purposes described in section 3.

4       **“SEC. 102. ELIGIBLE STATES.**

5       “(a) IN GENERAL.—As used in this title, the term  
 6 ‘eligible State’ means a State that has submitted to the  
 7 Secretary, not later than October 1, 1996, and every 3  
 8 years thereafter, a plan which has been signed by the chief  
 9 executive officer of the State and that includes the follow-  
 10 ing:

11               “(1) OUTLINE OF CHILD PROTECTION PRO-  
 12       GRAM.—A written document that outlines the activi-  
 13       ties the State intends to conduct to achieve the pur-  
 14       pose of this title, including the procedures to be used  
 15       for—

16                       “(A) receiving and assessing reports of  
 17       child abuse or neglect;

18                       “(B) investigating such reports;

19                       “(C) with respect to families in which  
 20       abuse or neglect has been confirmed, providing  
 21       services or referral for services for families and  
 22       children where the State makes a determination  
 23       that the child may safely remain with the fam-  
 24       ily;

1           “(D) protecting children by removing them  
2           from dangerous settings and ensuring their  
3           placement in a safe environment;

4           “(E) providing training for individuals  
5           mandated to report suspected cases of child  
6           abuse or neglect;

7           “(F) protecting children in foster care;

8           “(G) promoting timely adoptions;

9           “(H) protecting the rights of families,  
10          using adult relatives as the preferred placement  
11          for children separated from their parents where  
12          such relatives meet the relevant State child pro-  
13          tection standards; and

14          “(I) providing services to individuals, fami-  
15          lies, or communities, either directly or through  
16          referral, that are aimed at preventing the occur-  
17          rence of child abuse and neglect.

18          “(2) CERTIFICATION OF STATE LAW REQUIRING  
19          THE REPORTING OF CHILD ABUSE AND NEGLECT.—  
20          A certification that the State has in effect laws that  
21          require public officials and other professionals to re-  
22          port, in good faith, actual or suspected instances of  
23          child abuse or neglect.

24          “(3) CERTIFICATION OF PROCEDURES FOR  
25          SCREENING, SAFETY ASSESSMENT, AND PROMPT IN-

1 VESTIGATION.—A certification that the State has in  
2 effect procedures for receiving and responding to re-  
3 ports of child abuse or neglect, including the reports  
4 described in paragraph (2), and for the immediate  
5 screening, safety assessment, and prompt investiga-  
6 tion of such reports.

7 “(4) CERTIFICATION OF STATE PROCEDURES  
8 FOR REMOVAL AND PLACEMENT OF ABUSED OR NE-  
9 GLECTED CHILDREN.—A certification that the State  
10 has in effect procedures for the removal from fami-  
11 lies and placement of abused or neglected children  
12 and of any other child in the same household who  
13 may also be in danger of abuse or neglect.

14 “(5) CERTIFICATION OF PROVISIONS FOR IMMU-  
15 NITY FROM PROSECUTION.—A certification that the  
16 State has in effect laws requiring immunity from  
17 prosecution under State and local laws and regula-  
18 tions for individuals making good faith reports of  
19 suspected or known instances of child abuse or ne-  
20 glect.

21 “(6) CERTIFICATION OF PROVISIONS AND PRO-  
22 CEDURES RELATING TO APPEALS.—A certification  
23 that not later than 2 years after the date of the en-  
24 actment of this Act, the State shall have laws and  
25 procedures in effect affording individuals an oppor-

1       tunity to appeal an official finding of abuse or ne-  
2       glect.

3               “(7) CERTIFICATION OF STATE PROCEDURES  
4       FOR DEVELOPING AND REVIEWING WRITTEN PLANS  
5       FOR PERMANENT PLACEMENT OF REMOVED CHIL-  
6       DREN.—A certification that the State has in effect  
7       procedures for ensuring that a written plan is pre-  
8       pared for children who have been removed from their  
9       families. Such plan shall specify the goals for achiev-  
10      ing a permanent placement for the child in a timely  
11      fashion, for ensuring that the written plan is re-  
12      viewed every 6 months (until such placement is  
13      achieved), and for ensuring that information about  
14      such children is collected regularly and recorded in  
15      case records, and include a description of such pro-  
16      cedures.

17              “(8) CERTIFICATION OF STATE PROGRAM TO  
18      PROVIDE INDEPENDENT LIVING SERVICES.—A cer-  
19      tification that the State has in effect a program to  
20      provide independent living services, for assistance in  
21      making the transition to self-sufficient adulthood, to  
22      individuals in the child protection program of the  
23      State who are 16, but who are not 20 (or, at the op-  
24      tion of the State, 22), years of age, and who do not  
25      have a family to which to be returned.

1           “(9) CERTIFICATION OF STATE PROCEDURES  
2           TO RESPOND TO REPORTING OF MEDICAL NEGLECT  
3           OF DISABLED INFANTS.—

4           “(A) IN GENERAL.—A certification that  
5           the State has in place for the purpose of re-  
6           sponding to the reporting of medical neglect of  
7           infants (including instances of withholding of  
8           medically indicated treatment from disabled in-  
9           fants with life-threatening conditions), proce-  
10          dures or programs, or both (within the State  
11          child protective services system), to provide  
12          for—

13               “(i) coordination and consultation  
14               with individuals designated by and within  
15               appropriate health-care facilities;

16               “(ii) prompt notification by individ-  
17               uals designated by and within appropriate  
18               health-care facilities of cases of suspected  
19               medical neglect (including instances of  
20               withholding of medically indicated treat-  
21               ment from disabled infants with life-threat-  
22               ening conditions); and

23               “(iii) authority, under State law, for  
24               the State child protective service to pursue  
25               any legal remedies, including the authority

1 to initiate legal proceedings in a court of  
2 competent jurisdiction, as may be nec-  
3 essary to prevent the withholding of medi-  
4 cally indicated treatment from disabled in-  
5 fants with life-threatening conditions.

6 “(B) WITHHOLDING OF MEDICALLY INDI-  
7 CATED TREATMENT.—As used in subparagraph  
8 (A), the term ‘withholding of medically indi-  
9 cated treatment’ means the failure to respond  
10 to the infant’s life-threatening conditions by  
11 providing treatment (including appropriate nu-  
12 trition, hydration, and medication) which, in the  
13 treating physician’s or physicians’ reasonable  
14 medical judgment, will be most likely to be ef-  
15 fective in ameliorating or correcting all such  
16 conditions, except that such term does not in-  
17 clude the failure to provide treatment (other  
18 than appropriate nutrition, hydration, or medi-  
19 cation) to an infant when, in the treating physi-  
20 cian’s or physicians’ reasonable medical judg-  
21 ment—

22 “(i) the infant is chronically and irre-  
23 versibly comatose;

24 “(ii) the provision of such treatment  
25 would—

1 “(I) merely prolong dying;

2 “(II) not be effective in amelio-  
3 rating or correcting all of the infant’s  
4 life-threatening conditions; or

5 “(III) otherwise be futile in  
6 terms of the survival of the infant; or

7 “(iii) the provision of such treatment  
8 would be virtually futile in terms of the  
9 survival of the infant and the treatment it-  
10 self under such circumstances would be in-  
11 humane.

12 “(10) IDENTIFICATION OF CHILD PROTECTION  
13 GOALS.—The quantitative goals of the State child  
14 protection program.

15 “(11) CERTIFICATION OF CHILD PROTECTION  
16 STANDARDS.—With respect to fiscal years beginning  
17 on or after April 1, 1996, a certification that the  
18 State—

19 “(A) has completed an inventory of all  
20 children who, before the inventory, had been in  
21 foster care under the responsibility of the State  
22 for 6 months or more, which determined—

23 “(i) the appropriateness of, and neces-  
24 sity for, the foster care placement;



1           “(ii) whether the child could or should  
2           be returned to the parents of the child or  
3           should be freed for adoption or other per-  
4           manent placement; and

5           “(iii) the services necessary to facili-  
6           tate the return of the child or the place-  
7           ment of the child for adoption or legal  
8           guardianship;

9           “(B) is operating, to the satisfaction of the  
10          Secretary—

11           “(i) a statewide information system  
12           from which can be readily determined the  
13           status, demographic characteristics, loca-  
14           tion, and goals for the placement of every  
15           child who is (or, within the immediately  
16           preceding 12 months, has been) in foster  
17           care;

18           “(ii) a case review system for each  
19           child receiving foster care under the super-  
20           vision of the State;

21           “(iii) a service program designed to  
22           help children—

23           “(I) where appropriate, return to  
24           families from which they have been  
25           removed; or

1                   “(II) be placed for adoption, with  
2                   a legal guardian, or if adoption or  
3                   legal guardianship is determined not  
4                   to be appropriate for a child, in some  
5                   other planned, permanent living ar-  
6                   rangement; and

7                   “(iv) a preplacement preventive serv-  
8                   ices program designed to help children at  
9                   risk for foster care placement remain with  
10                  their families; and

11                  “(C)(i) has reviewed (or not later than Oc-  
12                  tober 1, 1997, will review) State policies and  
13                  administrative and judicial procedures in effect  
14                  for children abandoned at or shortly after birth  
15                  (including policies and procedures providing for  
16                  legal representation of such children); and

17                  “(ii) is implementing (or not later than Oc-  
18                  tober 1, 1997, will implement) such policies and  
19                  procedures as the State determines, on the  
20                  basis of the review described in clause (i), to be  
21                  necessary to enable permanent decisions to be  
22                  made expeditiously with respect to the place-  
23                  ment of such children.

24                  “(12) CERTIFICATION OF REASONABLE EF-  
25                  FORTS BEFORE PLACEMENT OF CHILDREN IN FOS-

1       TER CARE.—A certification that the State in each  
2       case will—

3               “(A) make reasonable efforts prior to the  
4               placement of a child in foster care, to prevent  
5               or eliminate the need for removal of the child  
6               from the child’s home, and to make it possible  
7               for the child to return home; and

8               “(B) with respect to families in which  
9               abuse or neglect has been confirmed, provide  
10              services or referral for services for families and  
11              children where the State makes a determination  
12              that the child may safely remain with the fam-  
13              ily.

14       “(13) CERTIFICATION OF CONFIDENTIALITY  
15       AND REQUIREMENTS FOR INFORMATION DISCLO-  
16       SURE.—

17               “(A) IN GENERAL.—A certification that  
18               the State has in effect and operational—

19               “(i) requirements ensuring that re-  
20               ports and records made and maintained  
21               pursuant to the purposes of this part shall  
22               only be made available to—

23               “(I) individuals who are the sub-  
24               ject of the report;

1           “(II) Federal, State, or local gov-  
2           ernment entities, or any agent of such  
3           entities, having a need for such infor-  
4           mation in order to carry out their re-  
5           sponsibilities under law to protect  
6           children from abuse and neglect;

7           “(III) child abuse citizen review  
8           panels;

9           “(IV) child fatality review panels;

10          “(V) a grand jury or court, upon  
11          a finding that information in the  
12          record is necessary for the determina-  
13          tion of an issue before the court or  
14          grand jury; and

15          “(VI) other entities or classes of  
16          individuals statutorily authorized by  
17          the State to receive such information  
18          pursuant to a legitimate State pur-  
19          pose; and

20          “(ii) provisions that allow for public  
21          disclosure of the findings or information  
22          about cases of child abuse or neglect that  
23          have resulted in a child fatality or near fa-  
24          tality.

1           “(B) LIMITATION.—Disclosures made pur-  
 2           suant to clause (i) or (ii) shall not include the  
 3           identifying information concerning the individ-  
 4           ual initiating a report or complaint alleging sus-  
 5           pected instances of child abuse or neglect.

6           “(C) DEFINITION.—For purposes of this  
 7           paragraph, the term ‘near fatality’ means an  
 8           act that, as certified by a physician, places the  
 9           child in serious or critical condition.

10          “(b) DETERMINATIONS.—The Secretary shall deter-  
 11       mine whether a plan submitted pursuant to subsection (a)  
 12       contains the material required by subsection (a), other  
 13       than the material described in paragraph (9) of such sub-  
 14       section. The Secretary may not require a State to include  
 15       in such a plan any material not described in subsection  
 16       (a).

17       **“SEC. 103. DATA COLLECTION AND REPORTING.**

18          “(a) NATIONAL CHILD ABUSE AND NEGLECT DATA  
 19       SYSTEM.—The Secretary shall establish a national data  
 20       collection and analysis program—

21               “(1) which, to the extent practicable, coordi-  
 22       nates existing State child abuse and neglect reports  
 23       and which shall include—

1           “(A) standardized data on substantiated,  
2           as well as false, unfounded, or unsubstantiated  
3           reports; and

4           “(B) information on the number of deaths  
5           due to child abuse and neglect; and

6           “(2) which shall collect, compile, analyze, and  
7           make available State child abuse and neglect report-  
8           ing information which, to the extent practical, is uni-  
9           versal and case-specific and integrated with other  
10          case-based foster care and adoption data collected by  
11          the Secretary.

12          “(b) ADOPTION AND FOSTER CARE AND ANALYSIS  
13          AND REPORTING SYSTEMS.—The Secretary shall imple-  
14          ment a system for the collection of data relating to adop-  
15          tion and foster care in the United States. Such data collec-  
16          tion system shall—

17               “(1) avoid unnecessary diversion of resources  
18               from agencies responsible for adoption and foster  
19               care;

20               “(2) assure that any data that is collected is re-  
21               liable and consistent over time and among jurisdic-  
22               tions through the use of uniform definitions and  
23               methodologies;

24               “(3) provide comprehensive national informa-  
25               tion with respect to—

1           “(A) the demographic characteristics of  
2           adoptive and foster children and their biological  
3           and adoptive or foster parents;

4           “(B) the status of the foster care popu-  
5           lation (including the number of children in fos-  
6           ter care, length of placement, type of place-  
7           ment, availability for adoption, and goals for  
8           ending or continuing foster care);

9           “(C) the number and characteristics of—

10           “(i) children placed in or removed  
11           from foster care;

12           “(ii) children adopted or with respect  
13           to whom adoptions have been terminated;  
14           and

15           “(iii) children placed in foster care  
16           outside the State which has placement and  
17           care responsibility; and

18           “(D) the extent and nature of assistance  
19           provided by Federal, State, and local adoption  
20           and foster care programs and the characteris-  
21           tics of the children with respect to whom such  
22           assistance is provided; and

23           “(4) utilize appropriate requirements and incen-  
24           tives to ensure that the system functions reliably  
25           throughout the United States.

1       “(c) ADDITIONAL INFORMATION.—The Secretary  
 2 may require the provision of additional information under  
 3 the data collection system established under subsection (b)  
 4 if the addition of such information is agreed to by a major-  
 5 ity of the States.

6       “(d) ANNUAL REPORT BY THE SECRETARY.—Within  
 7 6 months after the end of each fiscal year, the Secretary  
 8 shall prepare a report based on information provided by  
 9 the States for the fiscal year pursuant to this section, and  
 10 shall make the report and such information available to  
 11 the Congress and the public.

12       **“TITLE II—RESEARCH, DEM-**  
 13       **ONSTRATIONS, TRAINING,**  
 14       **AND TECHNICAL ASSISTANCE**

15       **“SEC. 201. RESEARCH GRANTS.**

16       “(a) IN GENERAL.—The Secretary, in consultation  
 17 with appropriate Federal officials and recognized experts  
 18 in the field, shall award grants or contracts for the con-  
 19 duct of research in accordance with subsection (b).

20       “(b) RESEARCH.—Research projects to be conducted  
 21 using amounts received under this section—

22               “(1) shall be designed to provide information to  
 23 better protect children from abuse or neglect and to  
 24 improve the well-being of abused or neglected chil-



1       dren, with at least a portion of any such research  
2       conducted under a project being field initiated;

3               “(2) shall at a minimum, focus on—

4                       “(A) the nature and scope of child abuse  
5                       and neglect;

6                       “(B) the causes, prevention, assessment,  
7                       identification, treatment, cultural and socio-  
8                       economic distinctions, and the consequences of  
9                       child abuse and neglect;

10                      “(C) appropriate, effective and culturally  
11                      sensitive investigative, administrative, and judi-  
12                      cial procedures with respect to cases of child  
13                      abuse; and

14                      “(D) the national incidence of child abuse  
15                      and neglect, including—

16                               “(i) the extent to which incidents of  
17                               child abuse are increasing or decreasing in  
18                               number and severity;

19                               “(ii) the incidence of substantiated  
20                               and unsubstantiated reported child abuse  
21                               cases;

22                               “(iii) the number of substantiated  
23                               cases that result in a judicial finding of  
24                               child abuse or neglect or related criminal  
25                               court convictions;

1           “(iv) the extent to which the number  
2           of unsubstantiated, unfounded and false  
3           reported cases of child abuse or neglect  
4           have contributed to the inability of a State  
5           to respond effectively to serious cases of  
6           child abuse or neglect;

7           “(v) the extent to which the lack of  
8           adequate resources and the lack of ade-  
9           quate training of reporters have contrib-  
10          uted to the inability of a State to respond  
11          effectively to serious cases of child abuse  
12          and neglect;

13          “(vi) the number of unsubstantiated,  
14          false, or unfounded reports that have re-  
15          sulted in a child being placed in substitute  
16          care, and the duration of such placement;

17          “(vii) the extent to which unsubstan-  
18          tiated reports return as more serious cases  
19          of child abuse or neglect;

20          “(viii) the incidence and prevalence of  
21          physical, sexual, and emotional abuse and  
22          physical and emotional neglect in sub-  
23          stitute care;

24          “(ix) the incidence and outcomes of  
25          abuse allegations reported within the con-

1 text of divorce, custody, or other family  
2 court proceedings, and the interaction be-  
3 tween this venue and the child protective  
4 services system; and

5 “(x) the cases of children reunited  
6 with their families or receiving family pres-  
7 ervation services that result in subsequent  
8 substantiated reports of child abuse and  
9 neglect, including the death of the child;  
10 and

11 “(3) may include the appointment of an advi-  
12 sory board to—

13 “(A) provide recommendations on coordi-  
14 nating Federal, State, and local child abuse and  
15 neglect activities at the State level with similar  
16 activities at the State and local level pertaining  
17 to family violence prevention;

18 “(B) consider specific modifications needed  
19 in State laws and programs to reduce the num-  
20 ber of unfounded or unsubstantiated reports of  
21 child abuse or neglect while enhancing the abil-  
22 ity to identify and substantiate legitimate cases  
23 of abuse or neglect which place a child in dan-  
24 ger; and

1           “(C) provide recommendations for modi-  
2           fications needed to facilitate coordinated na-  
3           tional and Statewide data collection with re-  
4           spect to child protection and child welfare.

5   **“SEC. 202. NATIONAL CLEARINGHOUSE FOR INFORMATION**  
6           **RELATING TO CHILD ABUSE.**

7           “(a) ESTABLISHMENT.—The Secretary shall,  
8           through the Department of Health and Human Services,  
9           or by one or more contracts of not less than 3 years dura-  
10          tion provided through a competition, establish a national  
11          clearinghouse for information relating to child abuse.

12          “(b) FUNCTIONS.—The Secretary shall, through the  
13          clearinghouse established by subsection (a)—

14               “(1) maintain, coordinate, and disseminate in-  
15              formation on all programs, including private pro-  
16              grams, that show promise of success with respect to  
17              the prevention, assessment, identification, and treat-  
18              ment of child abuse and neglect;

19               “(2) maintain and disseminate information re-  
20              lating to—

21                   “(A) the incidence of cases of child abuse  
22                  and neglect in the United States;

23                   “(B) the incidence of such cases in popu-  
24                  lations determined by the Secretary under sec-  
25                  tion 105(a)(1) of the Child Abuse Prevention,

1 Adoption, and Family Services Act of 1988 (as  
2 such section was in effect on the day before the  
3 date of enactment of this Act); and

4 “(C) the incidence of any such cases relat-  
5 ed to alcohol or drug abuse;

6 “(3) disseminate information related to data  
7 collected and reported by States pursuant to section  
8 103;

9 “(4) compile, analyze, and publish a summary  
10 of the research conducted under section 201; and

11 “(5) solicit public comment on the components  
12 of such clearinghouse.

13 **“SEC. 203. GRANTS FOR DEMONSTRATION PROJECTS.**

14 “(a) AWARDING OF GENERAL GRANTS.—The Sec-  
15 retary may make grants to, and enter into contracts with,  
16 public and nonprofit private agencies or organizations (or  
17 combinations of such agencies or organizations) for the  
18 purpose of developing, implementing, and operating time  
19 limited, demonstration programs and projects for the fol-  
20 lowing purposes:

21 “(1) INNOVATIVE PROGRAMS AND PROJECTS.—

22 The Secretary may award grants to public agencies  
23 that demonstrate innovation in responding to reports  
24 of child abuse and neglect including programs of col-  
25 laborative partnerships between the State child pro-

1        tective service agency, community social service  
2        agencies and family support programs, schools,  
3        churches and synagogues, and other community  
4        agencies to allow for the establishment of a triage  
5        system that—

6                “(A) accepts, screens and assesses reports  
7                received to determine which such reports re-  
8                quire an intensive intervention and which re-  
9                quire voluntary referral to another agency, pro-  
10              gram or project;

11              “(B) provides, either directly or through  
12              referral, a variety of community-linked services  
13              to assist families in preventing child abuse and  
14              neglect; and

15              “(C) provides further investigation and in-  
16              tensive intervention where the child’s safety is  
17              in jeopardy.

18              “(2)    KINSHIP    CARE    PROGRAMS    AND  
19              PROJECTS.—The Secretary may award grants to  
20              public entities to assist such entities in developing or  
21              implementing procedures using adult relatives as the  
22              preferred placement for children removed from their  
23              home, where such relatives are determined to be ca-  
24              pable of providing a safe nurturing environment for  
25              the child and where, to the maximum extent prac-

1        ticable, such relatives comply with relevant State  
2        child protection standards.

3            “(3) ADOPTION OPPORTUNITIES.—The Sec-  
4        retary may award grants to public entities to assist  
5        such entities in developing or implementing pro-  
6        grams to expand opportunities for the adoption of  
7        children with special needs.

8            “(4) FAMILY RESOURCE CENTERS.—The Sec-  
9        retary may award grants to public or nonprofit pri-  
10       vate entities to provide for the establishment of fam-  
11       ily resource programs and support services that—

12            “(A) develop, expand, and enhance state-  
13        wide networks of community-based, prevention-  
14        focused centers, programs, or services that pro-  
15        vide comprehensive support for families;

16            “(B) promote the development of parental  
17        competencies and capacities in order to increase  
18        family stability;

19            “(C) support the additional needs of fami-  
20        lies with children with disabilities;

21            “(D) foster the development of a contin-  
22        uum of preventive services for children and  
23        families through State and community-based  
24        collaborations and partnerships (both public  
25        and private); and

1           “(E) maximize funding for the financing,  
2           planning, community mobilization, collabora-  
3           tion, assessment, information and referral,  
4           startup, training and technical assistance, infor-  
5           mation management, reporting, and evaluation  
6           costs for establishing, operating, or expanding a  
7           statewide network of community-based, preven-  
8           tion-focused family resource and support serv-  
9           ices.

10          “(5) OTHER INNOVATIVE PROGRAMS.—The  
11          Secretary may award grants to public or private  
12          nonprofit organizations to assist such entities in de-  
13          veloping or implementing innovative programs and  
14          projects that show promise of preventing and treat-  
15          ing cases of child abuse and neglect (such as Par-  
16          ents Anonymous).

17          “(b) GRANTS FOR ABANDONED INFANT PRO-  
18          GRAMS.—The Secretary may award grants to public and  
19          nonprofit private entities to assist such entities in develop-  
20          ing or implementing procedures—

21               “(1) to prevent the abandonment of infants and  
22               young children, including the provision of services to  
23               members of the natural family for any condition that  
24               increases the probability of abandonment of an in-  
25               fant or young child;



1           “(2) to identify and address the needs of aban-  
2       doned infants and young children;

3           “(3) to assist abandoned infants and young  
4       children to reside with their natural families or in  
5       foster care, as appropriate;

6           “(4) to recruit, train, and retain foster families  
7       for abandoned infants and young children;

8           “(5) to carry out residential care programs for  
9       abandoned infants and young children who are un-  
10      able to reside with their families or to be placed in  
11      foster care;

12          “(6) to carry out programs of respite care for  
13      families and foster families of infants and young  
14      children; and

15          “(7) to recruit and train health and social serv-  
16      ices personnel to work with families, foster care fam-  
17      ilies, and residential care programs for abandoned  
18      infants and young children.

19          “(c) EVALUATION.—In making grants for demonstra-  
20      tion projects under this section, the Secretary shall require  
21      all such projects to be evaluated for their effectiveness.  
22      Funding for such evaluations shall be provided either as  
23      a stated percentage of a demonstration grant or as a sepa-  
24      rate grant entered into by the Secretary for the purpose

1 of evaluating a particular demonstration project or group  
2 of projects.

3 **“SEC. 204. TECHNICAL ASSISTANCE.**

4 “(a) CHILD ABUSE AND NEGLECT.—

5 “(1) IN GENERAL.—The Secretary shall provide  
6 technical assistance under this title to States to as-  
7 sist such States in planning, improving, developing,  
8 and carrying out programs and activities relating to  
9 the prevention, assessment identification, and treat-  
10 ment of child abuse and neglect.

11 “(2) EVALUATION.—Technical assistance pro-  
12 vided under paragraph (1) may include an evalua-  
13 tion or identification of—

14 “(A) various methods and procedures for  
15 the investigation, assessment, and prosecution  
16 of child physical and sexual abuse cases;

17 “(B) ways to mitigate psychological trau-  
18 ma to the child victim; and

19 “(C) effective programs carried out by the  
20 States under this Act.

21 “(b) ADOPTION OPPORTUNITIES.—The Secretary  
22 shall provide, directly or by grant to or contract with pub-  
23 lic or private nonprofit agencies or organizations—

24 “(1) technical assistance and resource and re-  
25 ferral information to assist State or local govern-

1       ments with termination of parental rights issues, in  
2       recruiting and retaining adoptive families, in the  
3       successful placement of children with special needs,  
4       and in the provision of pre- and post-placement serv-  
5       ices, including post-legal adoption services; and

6               “(2) other assistance to help State and local  
7       governments replicate successful adoption-related  
8       projects from other areas in the United States.

9       **“SEC. 205. TRAINING RESOURCES.**

10       “(a) TRAINING PROGRAMS.—The Secretary may  
11       award grants to public or private nonprofit organiza-  
12       tions—

13               “(1) for the training of professional and para-  
14       professional personnel in the fields of medicine, law,  
15       education, law enforcement, social work, and other  
16       relevant fields who are engaged in, or intend to work  
17       in, the field of prevention, identification, and treat-  
18       ment of child abuse and neglect, including the links  
19       between domestic violence and child abuse;

20               “(2) to provide culturally specific instruction in  
21       methods of protecting children from child abuse and  
22       neglect to children and to persons responsible for the  
23       welfare of children, including parents of and persons  
24       who work with children with disabilities; and

1           “(3) to improve the recruitment, selection, and  
2           training of volunteers serving in private and public  
3           nonprofit children, youth and family service organi-  
4           zations in order to prevent child abuse and neglect  
5           through collaborative analysis of current recruit-  
6           ment, selection, and training programs and develop-  
7           ment of model programs for dissemination and rep-  
8           lication nationally.

9           “(b) DISSEMINATION OF INFORMATION.—The Sec-  
10          retary may provide for and disseminate information relat-  
11          ing to various training resources available at the State and  
12          local level to—

13               “(1) individuals who are engaged, or who intend  
14               to engage, in the prevention, identification, assess-  
15               ment, and treatment of child abuse and neglect; and

16               “(2) appropriate State and local officials, in-  
17               cluding prosecutors, to assist in training law en-  
18               forcement, legal, judicial, medical, mental health,  
19               education, and child welfare personnel in appropriate  
20               methods of interacting during investigative, adminis-  
21               trative, and judicial proceedings with children who  
22               have been subjected to abuse.

1 **“SEC. 206. APPLICATIONS AND AMOUNTS OF GRANTS.**

2 “(a) REQUIREMENT OF APPLICATION.—The Sec-  
3 retary may not make a grant to a State or other entity  
4 under this title unless—

5 “(1) an application for the grant is submitted  
6 to the Secretary;

7 “(2) with respect to carrying out the purpose  
8 for which the grant is to be made, the application  
9 provides assurances of compliance satisfactory to the  
10 Secretary; and

11 “(3) the application otherwise is in such form,  
12 is made in such manner, and contains such agree-  
13 ments, assurances, and information as the Secretary  
14 determines to be necessary to carry out this title.

15 “(b) AMOUNT OF GRANT.—The Secretary shall de-  
16 termine the amount of a grant to be awarded under this  
17 title.

18 **“SEC. 207. PEER REVIEW FOR GRANTS.**

19 “(a) ESTABLISHMENT OF PEER REVIEW PROCESS.—

20 “(1) IN GENERAL.—The Secretary shall, in con-  
21 sultation with experts in the field and other Federal  
22 agencies, establish a formal, rigorous, and meritori-  
23 ous peer review process for purposes of evaluating  
24 and reviewing applications for grants under this title  
25 and determining the relative merits of the projects  
26 for which such assistance is requested. The purpose

1 of this process is to enhance the quality and useful-  
2 ness of research in the field of child abuse and ne-  
3 glect.

4 “(2) REQUIREMENTS FOR MEMBERS.—In estab-  
5 lishing the process required by paragraph (1), the  
6 Secretary shall appoint to the peer review panels  
7 only members who are experts in the field of child  
8 abuse and neglect or related disciplines, with appro-  
9 priate expertise in the application to be reviewed,  
10 and who are not individuals who are officers or em-  
11 ployees of the Administration for Children and Fam-  
12 ilies. The panels shall meet as often as is necessary  
13 to facilitate the expeditious review of applications for  
14 grants and contracts under this title, but may not  
15 meet less than once a year. The Secretary shall en-  
16 sure that the peer review panel utilizes scientifically  
17 valid review criteria and scoring guidelines for re-  
18 view committees.

19 “(b) REVIEW OF APPLICATIONS FOR ASSISTANCE.—  
20 Each peer review panel established under subsection  
21 (a)(1) that reviews any application for a grant shall—

22 “(1) determine and evaluate the merit of each  
23 project described in such application;

24 “(2) rank such application with respect to all  
25 other applications it reviews in the same priority

1 area for the fiscal year involved, according to the rel-  
2 ative merit of all of the projects that are described  
3 in such application and for which financial assist-  
4 ance is requested; and

5 “(3) make recommendations to the Secretary  
6 concerning whether the application for the project  
7 shall be approved.

8 The Secretary shall award grants under this title on the  
9 basis of competitive review.

10 “(c) NOTICE OF APPROVAL.—

11 “(1) IN GENERAL.—The Secretary shall provide  
12 grants under this title from among the projects  
13 which the peer review panels established under sub-  
14 section (a)(1) have determined to have merit.

15 “(2) REQUIREMENT OF EXPLANATION.—In the  
16 instance in which the Secretary approves an applica-  
17 tion for a program under this title without having  
18 approved all applications ranked above such applica-  
19 tion, the Secretary shall append to the approved ap-  
20 plication a detailed explanation of the reasons relied  
21 on for approving the application and for failing to  
22 approve each pending application that is superior in  
23 merit.

1   **“SEC. 208. NATIONAL RANDOM SAMPLE STUDY OF CHILD**  
2                   **WELFARE.**

3           “(a) IN GENERAL.—The Secretary shall conduct a  
4 national study based on random samples of children who  
5 are at risk of child abuse or neglect, or are determined  
6 by States to have been abused or neglected, and such other  
7 research as may be necessary.

8           “(b) REQUIREMENTS.—The study required by sub-  
9 section (a) shall—

10                   “(1) have a longitudinal component; and

11                   “(2) yield data reliable at the State level for as  
12 many States as the Secretary determines is feasible.

13           “(c) PREFERRED CONTENTS.—In conducting the  
14 study required by subsection (a), the Secretary should—

15                   “(1) collect data on the child protection pro-  
16 grams of different small States (or different groups  
17 of such States) in different years to yield an occa-  
18 sional picture of the child protection programs of  
19 such States;

20                   “(2) carefully consider selecting the sample  
21 from cases of confirmed abuse or neglect; and

22                   “(3) follow each case for several years while ob-  
23 taining information on, among other things—

24                           “(A) the type of abuse or neglect involved;

25                           “(B) the frequency of contact with State  
26 or local agencies;



1           “(C) whether the child involved has been  
2           separated from the family, and, if so, under  
3           what circumstances;

4           “(D) the number, type, and characteristics  
5           of out-of-home placements of the child; and

6           “(E) the average duration of each place-  
7           ment.

8           “(d) REPORTS.—

9           “(1) IN GENERAL.—From time to time, the  
10          Secretary shall prepare reports summarizing the re-  
11          sults of the study required by subsection (a).

12          “(2) AVAILABILITY.—The Secretary shall make  
13          available to the public any report prepared under  
14          paragraph (1), in writing or in the form of an elec-  
15          tronic data tape.

16          “(3) AUTHORITY TO CHARGE FEE.—The Sec-  
17          retary may charge and collect a fee for the furnish-  
18          ing of reports under paragraph (2).

19          “(4) FUNDING.—The Secretary shall carry out  
20          this section using amounts made available under sec-  
21          tion 425 of the Social Security Act.

**“TITLE III—GENERAL  
PROVISIONS**

**“SEC. 301. AUTHORIZATION OF APPROPRIATIONS.**

“(a) TITLE I.—There are authorized to be appropriated to carry out title I, \$230,000,000 for fiscal year 1996, and such sums as may be necessary for each of the fiscal years 1997 through 2002.

“(b) TITLE II.—

“(1) IN GENERAL.—Of the amount appropriated under subsection (a) for a fiscal year, the Secretary shall make available 12 percent of such amount to carry out title II (except for sections 203 and 208).

“(2) GRANTS FOR DEMONSTRATION PROJECTS.—Of the amount made available under paragraph (1) for a fiscal year, the Secretary shall make available not less than 40 percent of such amount to carry out section 203.

“(c) INDIAN TRIBES.—Of the amount appropriated under subsection (a) for a fiscal year, the Secretary shall make available 1 percent of such amount to provide grants and contracts to Indian tribes and Tribal Organizations.

“(d) AVAILABILITY OF APPROPRIATIONS.—Amounts appropriated under subsection (a) shall remain available until expended.

1   **“SEC. 302. GRANTS TO STATES FOR PROGRAMS RELATING**  
2                   **TO THE INVESTIGATION AND PROSECUTION**  
3                   **OF CHILD ABUSE AND NEGLECT CASES.**

4           “(a) GRANTS TO STATES.—The Secretary, in con-  
5 sultation with the Attorney General, is authorized to make  
6 grants to the States for the purpose of assisting States  
7 in developing, establishing, and operating programs de-  
8 signed to improve—

9                   “(1) the handling of child abuse and neglect  
10 cases, particularly cases of child sexual abuse and  
11 exploitation, in a manner which limits additional  
12 trauma to the child victim;

13                   “(2) the handling of cases of suspected child  
14 abuse or neglect related fatalities; and

15                   “(3) the investigation and prosecution of cases  
16 of child abuse and neglect, particularly child sexual  
17 abuse and exploitation.

18           “(b) ELIGIBILITY REQUIREMENTS.—In order for a  
19 State to qualify for assistance under this section, such  
20 State shall—

21                   “(1) be an eligible State under section 102;

22                   “(2) establish a task force as provided in sub-  
23 section (c);

24                   “(3) fulfill the requirements of subsection (d);

25                   “(4) submit annually an application to the Sec-  
26 retary at such time and containing such information

1 and assurances as the Secretary considers necessary,  
2 including an assurance that the State will—

3 “(A) make such reports to the Secretary as  
4 may reasonably be required; and

5 “(B) maintain and provide access to  
6 records relating to activities under subsection  
7 (a); and

8 “(5) submit annually to the Secretary a report  
9 on the manner in which assistance received under  
10 this program was expended throughout the State,  
11 with particular attention focused on the areas de-  
12 scribed in paragraphs (1) through (3) of subsection  
13 (a).

14 “(c) STATE TASK FORCES.—

15 “(1) GENERAL RULE.—Except as provided in  
16 paragraph (2), a State requesting assistance under  
17 this section shall establish or designate, and main-  
18 tain, a State multidisciplinary task force on chil-  
19 dren’s justice (hereafter in this section referred to as  
20 ‘State task force’) composed of professionals with  
21 knowledge and experience relating to the criminal  
22 justice system and issues of child physical abuse,  
23 child neglect, child sexual abuse and exploitation,  
24 and child maltreatment related fatalities. The State  
25 task force shall include—

1           “(A) individuals representing the law en-  
2           forcement community;

3           “(B) judges and attorneys involved in both  
4           civil and criminal court proceedings related to  
5           child abuse and neglect (including individuals  
6           involved with the defense as well as the prosecu-  
7           tion of such cases);

8           “(C) child advocates, including both attor-  
9           neys for children and, where such programs are  
10          in operation, court appointed special advocates;

11          “(D) health and mental health profes-  
12          sionals;

13          “(E) individuals representing child protec-  
14          tive service agencies;

15          “(F) individuals experienced in working  
16          with children with disabilities;

17          “(G) parents; and

18          “(H) representatives of parents’ groups.

19          “(2) EXISTING TASK FORCE.—As determined  
20          by the Secretary, a State commission or task force  
21          established after January 1, 1983, with substantially  
22          comparable membership and functions, may be con-  
23          sidered the State task force for purposes of this sub-  
24          section.

1       “(d) STATE TASK FORCE STUDY.—Before a State  
2 receives assistance under this section, and at 3-year inter-  
3 vals thereafter, the State task force shall comprehen-  
4 sively—

5           “(1) review and evaluate State investigative, ad-  
6 ministrative and both civil and criminal judicial han-  
7 dling of cases of child abuse and neglect, particularly  
8 child sexual abuse and exploitation, as well as cases  
9 involving suspected child maltreatment related fatali-  
10 ties and cases involving a potential combination of  
11 jurisdictions, such as interstate, Federal-State, and  
12 State-Tribal; and

13           “(2) make policy and training recommendations  
14 in each of the categories described in subsection (e).  
15 The task force may make such other comments and rec-  
16 ommendations as are considered relevant and useful.

17       “(e) ADOPTION OF STATE TASK FORCE REC-  
18 OMMENDATIONS.—

19           “(1) GENERAL RULE.—Subject to the provi-  
20 sions of paragraph (2), before a State receives as-  
21 sistance under this section, a State shall adopt rec-  
22 ommendations of the State task force in each of the  
23 following categories—

24           “(A) investigative, administrative, and ju-  
25 dicial handling of cases of child abuse and ne-

1 neglect, particularly child sexual abuse and exploi-  
2 tation, as well as cases involving suspected child  
3 maltreatment related fatalities and cases involv-  
4 ing a potential combination of jurisdictions,  
5 such as interstate, Federal-State, and State-  
6 Tribal, in a manner which reduces the addi-  
7 tional trauma to the child victim and the vic-  
8 tim's family and which also ensures procedural  
9 fairness to the accused;

10 “(B) experimental, model and demonstra-  
11 tion programs for testing innovative approaches  
12 and techniques which may improve the prompt  
13 and successful resolution of civil and criminal  
14 court proceedings or enhance the effectiveness  
15 of judicial and administrative action in child  
16 abuse and neglect cases, particularly child sex-  
17 ual abuse and exploitation cases, including the  
18 enhancement of performance of court-appointed  
19 attorneys and guardians ad litem for children;  
20 and

21 “(C) reform of State laws, ordinances, reg-  
22 ulations, protocols and procedures to provide  
23 comprehensive protection for children from  
24 abuse, particularly child sexual abuse and ex-

1           ploitation, while ensuring fairness to all affected  
2           persons.

3           “(2) EXEMPTION.—As determined by the Sec-  
4           retary, a State shall be considered to be in fulfill-  
5           ment of the requirements of this subsection if—

6                   “(A) the State adopts an alternative to the  
7                   recommendations of the State task force, which  
8                   carries out the purpose of this section, in each  
9                   of the categories under paragraph (1) for which  
10                  the State task force’s recommendations are not  
11                  adopted; or

12                   “(B) the State is making substantial  
13                   progress toward adopting recommendations of  
14                   the State task force or a comparable alternative  
15                   to such recommendations.

16           “(f) FUNDS AVAILABLE.—For grants under this sec-  
17           tion, the Secretary shall use the amount authorized by sec-  
18           tion 1404A of the Victims of Crime Act of 1984.

19   **“SEC. 303. TRANSITIONAL PROVISION.**

20           “A State or other entity that has a grant, contract,  
21           or cooperative agreement in effect, on the date of enact-  
22           ment of this Act, under the Family Resource and Support  
23           Program, the Community-Based Family Resource Pro-  
24           gram, the Family Support Center Program, the Emer-  
25           gency Child Abuse Prevention Grant Program, or the



1 Temporary Child Care for Children with Disabilities and  
2 Crisis Nurseries Programs shall continue to receive funds  
3 under such grant, contract, or cooperative agreement, sub-  
4 ject to the original terms under which such funds were  
5 provided, through the end of the applicable grant, con-  
6 tract, or agreement cycle.

7 **“SEC. 304. RULE OF CONSTRUCTION.**

8 “(a) IN GENERAL.—Nothing in this Act, or in part  
9 B or E of title IV of the Social Security Act, shall be con-  
10 strued—

11 “(1) as establishing a Federal requirement that  
12 a parent or legal guardian provide a child any medi-  
13 cal service or treatment against the religious beliefs  
14 of the parent or legal guardian; and

15 “(2) to require that a State find, or to prohibit  
16 a State from finding, abuse or neglect in cases in  
17 which a parent or legal guardian relies solely or par-  
18 tially upon spiritual means rather than medical  
19 treatment, in accordance with the religious beliefs of  
20 the parent or legal guardian.

21 “(b) STATE REQUIREMENT.—Notwithstanding sub-  
22 section (a), a State shall have in place authority under  
23 State law to permit the child protective service system of  
24 the State to pursue any legal remedies, including the au-  
25 thority to initiate legal proceedings in a court of competent

1 jurisdiction, to provide medical care or treatment for a  
2 child when such care or treatment is necessary to prevent  
3 or remedy serious harm to the child, or to prevent the  
4 withholding of medically indicated treatment from children  
5 with life threatening conditions. Except with respect to the  
6 withholding of medically indicated treatments from dis-  
7 abled infants with life threatening conditions, case by case  
8 determinations concerning the exercise of the authority of  
9 this subsection shall be within the sole discretion of the  
10 State.”.

11 **SEC. 752. REAUTHORIZATIONS.**

12 (a) MISSING CHILDREN’S ASSISTANCE ACT.—Section  
13 408 of the Missing Children’s Assistance Act (42 U.S.C.  
14 5777) is amended—

15 (1) by striking “To” and inserting “(a) IN  
16 GENERAL.—”

17 (2) by striking “and 1996” and inserting  
18 “1996, and 1997”; and

19 (3) by adding at the end thereof the following  
20 new subsection:

21 “(b) EVALUATION.—The Administrator shall use not  
22 more than 5 percent of the amount appropriated for a fis-  
23 cal year under subsection (a) to conduct an evaluation of  
24 the effectiveness of the programs and activities established  
25 and operated under this title.”.

1 (b) VICTIMS OF CHILD ABUSE ACT OF 1990.—Sec-  
2 tion 214B of the Victims of Child Abuse Act of 1990 (42  
3 U.S.C. 13004) is amended—

4 (1) in subsection (a)(2), by striking “and 1996”  
5 and inserting “1996, and 1997”; and

6 (2) in subsection (b)(2), by striking “and  
7 1996” and inserting “1996 and 1997”.

8 **SEC. 753. REPEALS.**

9 (a) IN GENERAL.—The following provisions of law  
10 are repealed:

11 (1) Title II of the Child Abuse Prevention and  
12 Treatment and Adoption Reform Act of 1978 (42  
13 U.S.C. 5111 et seq.).

14 (2) The Abandoned Infants Assistance Act of  
15 1988 (42 U.S.C. 670 note).

16 (3) The Temporary Child Care for Children  
17 with Disabilities and Crisis Nurseries Act of 1986  
18 (42 U.S.C. 5117 et seq.).

19 (4) Subtitle F of title VII of the Stewart B.  
20 McKinney Homeless Assistance Act (42 U.S.C.  
21 11481 et seq.).

22 (b) CONFORMING AMENDMENTS.—

23 (1) RECOMMENDED LEGISLATION.—After con-  
24 sultation with the appropriate committees of the  
25 Congress and the Director of the Office of Manage-

1       ment and Budget, the Secretary of Health and  
2       Human Services shall prepare and submit to the  
3       Congress a legislative proposal in the form of an im-  
4       plementing bill containing technical and conforming  
5       amendments to reflect the repeals made by this sec-  
6       tion.

7               (2) SUBMISSION TO CONGRESS.—Not later than  
8       6 months after the date of enactment of this chap-  
9       ter, the Secretary of Health and Human Services  
10      shall submit the implementing bill referred to under  
11      paragraph (1).

## 12               **TITLE VIII—CHILD CARE**

### 13      **SEC. 801. SHORT TITLE AND REFERENCES.**

14      (a) SHORT TITLE.—This title may be cited as the  
15      “Child Care and Development Block Grant Amendments  
16      of 1996”.

17      (b) REFERENCES.—Except as otherwise expressly  
18      provided, whenever in this title an amendment or repeal  
19      is expressed in terms of an amendment to, or repeal of,  
20      a section or other provision, the reference shall be consid-  
21      ered to be made to a section or other provision of the Child  
22      Care and Development Block Grant Act of 1990 (42  
23      U.S.C. 9858 et seq.).

1 **SEC. 802. GOALS.**

2 (a) GOALS.—Section 658A (42 U.S.C. 9801 note) is  
3 amended—

4 (1) in the section heading by inserting “AND  
5 GOALS” after “TITLE”;

6 (2) by inserting “(a) SHORT TITLE.—” before  
7 “This”; and

8 (3) by adding at the end the following:

9 “(b) GOALS.—The goals of this subchapter are—

10 “(1) to allow each State maximum flexibility in  
11 developing child care programs and policies that best  
12 suit the needs of children and parents within such  
13 State;

14 “(2) to promote parental choice to empower  
15 working parents to make their own decisions on the  
16 child care that best suits their family’s needs;

17 “(3) to encourage States to provide consumer  
18 education information to help parents make in-  
19 formed choices about child care;

20 “(4) to assist States to provide child care to  
21 parents trying to achieve independence from public  
22 assistance; and

23 “(5) to assist States in implementing the  
24 health, safety, licensing, and registration standards  
25 established in State regulations.”.

1 **SEC. 803. AUTHORIZATION OF APPROPRIATIONS AND EN-**  
2 **TITLEMENT AUTHORITY.**

3 (a) IN GENERAL.—Section 658B (42 U.S.C. 9858)  
4 is amended to read as follows:

5 **“SEC. 658B. AUTHORIZATION OF APPROPRIATIONS.**

6 “There is authorized to be appropriated to carry out  
7 this subchapter \$1,000,000,000 for each of the fiscal  
8 years 1996 through 2002.”.

9 (b) SOCIAL SECURITY ACT.—Part A of title IV of  
10 the Social Security Act (as amended by section 103) is  
11 amended—

12 (1) by redesignating section 418 as section 419;

13 and

14 (2) by inserting after section 417, the following  
15 new section:

16 **“SEC. 418. FUNDING FOR CHILD CARE.**

17 “(a) GENERAL CHILD CARE ENTITLEMENT.—

18 “(1) GENERAL ENTITLEMENT.—Subject to the  
19 amount appropriated under paragraph (3), each  
20 State shall, for the purpose of providing child care  
21 assistance, be entitled to payments under a grant  
22 under this subsection for a fiscal year in an amount  
23 equal to—

24 “(A) the sum of the total amount required  
25 to be paid to the State under former section  
26 403 for fiscal year 1994 or 1995 (whichever is

1 greater) with respect to amounts expended for  
2 child care under section—

3 “(i) 402(g) of this Act (as such sec-  
4 tion was in effect before October 1, 1995);  
5 and

6 “(ii) 403(i) of this Act (as so in ef-  
7 fect); or

8 “(B) the average of the total amounts re-  
9 quired to be paid to the State for fiscal years  
10 1992 through 1994 under the sections referred  
11 to in subparagraph (A);

12 whichever is greater.

13 “(2) REMAINDER.—

14 “(A) GRANTS.—The Secretary shall use  
15 any amounts appropriated for a fiscal year  
16 under paragraph (3), and remaining after the  
17 reservation described in paragraph (4) and  
18 after grants are awarded under paragraph (1),  
19 to make grants to States under this paragraph.

20 “(B) AMOUNT.—Subject to subparagraph  
21 (C), the amount of a grant awarded to a State  
22 for a fiscal year under this paragraph shall be  
23 based on the formula used for determining the  
24 amount of Federal payments to the State under

1 section 403(n) (as such section was in effect be-  
2 fore October 1, 1995).

3 “(C) MATCHING REQUIREMENT.—The Sec-  
4 retary shall pay to each eligible State in a fiscal  
5 year an amount, under a grant under subpara-  
6 graph (A), equal to the Federal medical assist-  
7 ance percentage for such State for fiscal year  
8 1995 (as defined in section 1905(b)) of so  
9 much of the expenditures by the State for child  
10 care in such year as exceed the State set-aside  
11 for such State under paragraph (1)(A) for such  
12 year and the amount of State expenditures in  
13 fiscal year 1994 that equal the non-Federal  
14 share for the programs described in subpara-  
15 graph (A) of paragraph (1).

16 “(D) REDISTRIBUTION.—

17 “(i) IN GENERAL.—With respect to  
18 any fiscal year, if the Secretary determines  
19 (in accordance with clause (ii)) that  
20 amounts under any grant awarded to a  
21 State under this paragraph for such fiscal  
22 year will not be used by such State during  
23 such fiscal year for carrying out the pur-  
24 pose for which the grant is made, the Sec-  
25 retary shall make such amounts available



1 in the subsequent fiscal year for carrying  
2 out such purpose to 1 or more States  
3 which apply for such funds to the extent  
4 the Secretary determines that such States  
5 will be able to use such additional amounts  
6 for carrying out such purpose. Such avail-  
7 able amounts shall be redistributed to a  
8 State pursuant to section 402(i) (as such  
9 section was in effect before October 1,  
10 1995) by substituting ‘the number of chil-  
11 dren residing in all States applying for  
12 such funds’ for ‘the number of children re-  
13 siding in the United States in the second  
14 preceding fiscal year’.

15 “(ii) TIME OF DETERMINATION AND  
16 DISTRIBUTION.—The determination of the  
17 Secretary under clause (i) for a fiscal year  
18 shall be made not later than the end of the  
19 first quarter of the subsequent fiscal year.  
20 The redistribution of amounts under clause  
21 (i) shall be made as close as practicable to  
22 the date on which such determination is  
23 made. Any amount made available to a  
24 State from an appropriation for a fiscal  
25 year in accordance with this subparagraph

1           shall, for purposes of this part, be re-  
2           garded as part of such State's payment (as  
3           determined under this subsection) for the  
4           fiscal year in which the redistribution is  
5           made.

6           “(3) APPROPRIATION.—There are authorized to  
7           be appropriated, and there are appropriated, to  
8           carry out this section—

9           “(A) \$1,967,000,000 for fiscal year 1997;

10           “(B) \$2,067,000,000 for fiscal year 1998;

11           “(C) \$2,167,000,000 for fiscal year 1999;

12           “(D) \$2,367,000,000 for fiscal year 2000;

13           “(E) \$2,567,000,000 for fiscal year 2001;

14           and

15           “(F) \$2,717,000,000 for fiscal year 2002.

16           “(4) INDIAN TRIBES.—The Secretary shall re-  
17           serve not more than 1 percent of the aggregate  
18           amount appropriated to carry out this section in  
19           each fiscal year for payments to Indian tribes and  
20           tribal organizations.

21           “(b) USE OF FUNDS.—

22           “(1) IN GENERAL.—Amounts received by a  
23           State under this section shall only be used to provide  
24           child care assistance. Amounts received by a State  
25           under a grant under subsection (a)(1) shall be avail-

1       able for use by the State without fiscal year limita-  
2       tion.

3           “(2) USE FOR CERTAIN POPULATIONS.—A  
4       State shall ensure that not less than 70 percent of  
5       the total amount of funds received by the State in  
6       a fiscal year under this section are used to provide  
7       child care assistance to families who are receiving  
8       assistance under a State program under this part,  
9       families who are attempting through work activities  
10      to transition off of such assistance program, and  
11      families who are at risk of becoming dependent on  
12      such assistance program.

13          “(c) APPLICATION OF CHILD CARE AND DEVELOP-  
14      MENT BLOCK GRANT ACT of 1990.—Notwithstanding any  
15      other provision of law, amounts provided to a State under  
16      this section shall be transferred to the lead agency under  
17      the Child Care and Development Block Grant Act of 1990,  
18      integrated by the State into the programs established by  
19      the State under such Act, and be subject to requirements  
20      and limitations of such Act.

21          “(d) DEFINITION.—As used in this section, the term  
22      ‘State’ means each of the 50 States or the District of Co-  
23      lumbia.”.

24      **SEC. 804. LEAD AGENCY.**

25          Section 658D(b) (42 U.S.C. 9858b(b)) is amended—

1 (1) in paragraph (1)—

2 (A) in subparagraph (A), by striking  
3 “State” the first place that such appears and  
4 inserting “governmental or nongovernmental”;  
5 and

6 (B) in subparagraph (C), by inserting  
7 “with sufficient time and Statewide distribution  
8 of the notice of such hearing,” after “hearing in  
9 the State”; and

10 (2) in paragraph (2), by striking the second  
11 sentence.

12 **SEC. 805. APPLICATION AND PLAN.**

13 Section 658E (42 U.S.C. 9858c) is amended—

14 (1) in subsection (b)—

15 (A) by striking “implemented—” and all  
16 that follows through “(2)” and inserting “im-  
17 plemented”; and

18 (B) by striking “for subsequent State  
19 plans”;

20 (2) in subsection (c)—

21 (A) in paragraph (2)—

22 (i) in subparagraph (A)—

23 (I) in clause (i) by striking “,  
24 other than through assistance pro-  
25 vided under paragraph (3)(C),”; and

1 (II) by striking “except” and all  
 2 that follows through “1992”, and in-  
 3 serting “and provide a detailed de-  
 4 scription of the procedures the State  
 5 will implement to carry out the re-  
 6 quirements of this subparagraph”;

7 (ii) in subparagraph (B)—

8 (I) by striking “Provide assur-  
 9 ances” and inserting “Certify”; and

10 (II) by inserting before the pe-  
 11 riod at the end “and provide a de-  
 12 tailed description of such procedures”;

13 (iii) in subparagraph (C)—

14 (I) by striking “Provide assur-  
 15 ances” and inserting “Certify”; and

16 (II) by inserting before the pe-  
 17 riod at the end “and provide a de-  
 18 tailed description of how such record  
 19 is maintained and is made available”;

20 (iv) by amending subparagraph (D) to  
 21 read as follows:

22 “(D) CONSUMER EDUCATION INFORMA-  
 23 TION.—Certify that the State will collect and  
 24 disseminate to parents of eligible children and  
 25 the general public, consumer education informa-

tion that will promote informed child care choices.”;

(v) in subparagraph (E), to read as follows:

“(E) COMPLIANCE WITH STATE LICENSING REQUIREMENTS.—

“(i) IN GENERAL.—Certify that the State has in effect licensing requirements applicable to child care services provided within the State, and provide a detailed description of such requirements and of how such requirements are effectively enforced. Nothing in the preceding sentence shall be construed to require that licensing requirements be applied to specific types of providers of child care services.

“(ii) INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—In lieu of any licensing and regulatory requirements applicable under State and local law, the Secretary, in consultation with Indian tribes and tribal organizations, shall develop minimum child care standards (that appropriately reflect tribal needs and available resources) that shall be applicable to Indian tribes

1 and tribal organization receiving assistance  
2 under this subchapter.”;

3 (vi) by striking subparagraph (F);

4 (vii) in subparagraph (G)—

5 (I) by redesignating such sub-  
6 paragraph as subparagraph (F);

7 (II) by striking “Provide assur-  
8 ances” and inserting “Certify”; and

9 (III) by striking “as described in  
10 subparagraph (F)”;

11 (viii) by striking subparagraphs (H),  
12 (I), and (J) and inserting the following:

13 “(G) MEETING THE NEEDS OF CERTAIN  
14 POPULATIONS.—Demonstrate the manner in  
15 which the State will meet the specific child care  
16 needs of families who are receiving assistance  
17 under a State program under part A of title IV  
18 of the Social Security Act, families who are at-  
19 tempting through work activities to transition  
20 off of such assistance program, and families  
21 that are at risk of becoming dependent on such  
22 assistance program.”;

23 (B) in paragraph (3)—

1 (i) in subparagraph (A), by striking  
2 “(B) and (C)” and inserting “(B) through  
3 (D)”;

4 (ii) in subparagraph (B)—

5 (I) by striking “.—Subject to the  
6 reservation contained in subparagraph  
7 (C), the” and inserting “AND RELAT-  
8 ED ACTIVITIES.—The”;

9 (II) in clause (i) by striking “;  
10 and” at the end and inserting a pe-  
11 riod;

12 (III) by striking “for—” and all  
13 that follows through “section  
14 658E(c)(2)(A)” and inserting “for  
15 child care services on sliding fee scale  
16 basis, activities that improve the qual-  
17 ity or availability of such services, and  
18 any other activity that the State  
19 deems appropriate to realize any of  
20 the goals specified in paragraphs (2)  
21 through (5) of section 658A(b)”;

22 (IV) by striking clause (ii);

23 (iii) by amending subparagraph (C) to  
24 read as follows:



“(C) LIMITATION ON ADMINISTRATIVE COSTS.—Not more than 5 percent of the aggregate amount of funds available to the State to carry out this subchapter by a State in each fiscal year may be expended for administrative costs incurred by such State to carry out all of its functions and duties under this subchapter. As used in the preceding sentence, the term ‘administrative costs’ shall not include the costs of providing direct services.”; and

(iv) by adding at the end thereof the following:

“(D) ASSISTANCE FOR CERTAIN FAMILIES.—A State shall ensure that a substantial portion of the amounts available (after the State has complied with the requirement of section 418(b)(2) of the Social Security Act with respect to each of the fiscal years 1997 through 2002) to the State to carry out activities under this subchapter in each fiscal year is used to provide assistance to low-income working families other than families described in paragraph (2)(F).”; and

(C) in paragraph (4)(A)—

- 1 (i) by striking “provide assurances”  
2 and inserting “certify”;  
3 (ii) in the first sentence by inserting  
4 “and shall provide a summary of the facts  
5 relied on by the State to determine that  
6 such rates are sufficient to ensure such ac-  
7 cess” before the period; and  
8 (iii) by striking the last sentence.

9 **SEC. 806. LIMITATION ON STATE ALLOTMENTS.**

10 Section 658F(b) (42 U.S.C. 9858d(b)) is amended—

11 (1) in paragraph (1), by striking “No” and in-  
12 serting “Except as provided for in section  
13 658O(c)(6), no”; and

14 (2) in paragraph (2), by striking “referred to in  
15 section 658E(c)(2)(F)”.

16 **SEC. 807. ACTIVITIES TO IMPROVE THE QUALITY OF CHILD**  
17 **CARE.**

18 Section 658G (42 U.S.C. 9858e) is amended to read  
19 as follows:

20 **“SEC. 658G. ACTIVITIES TO IMPROVE THE QUALITY OF**  
21 **CHILD CARE.**

22 “A State that receives funds to carry out this sub-  
23 chapter for a fiscal year, shall use not less than 3 percent  
24 of the amount of such funds for activities that are de-  
25 signed to provide comprehensive consumer education to

1 parents and the public, activities that increase parental  
 2 choice, and activities designed to improve the quality and  
 3 availability of child care (such as resource and referral  
 4 services).”.

5 **SEC. 808. REPEAL OF EARLY CHILDHOOD DEVELOPMENT**  
 6 **AND BEFORE- AND AFTER-SCHOOL CARE RE-**  
 7 **QUIREMENT.**

8 Section 658H (42 U.S.C. 9858f) is repealed.

9 **SEC. 809. ADMINISTRATION AND ENFORCEMENT.**

10 Section 658I(b) (42 U.S.C. 9858g(b)) is amended—

11 (1) in paragraph (1), by striking “, and shall  
 12 have” and all that follows through “(2)”; and

13 (2) in the matter following clause (ii) of para-  
 14 graph (2)(A), by striking “finding and that” and all  
 15 that follows through the period and inserting “find-  
 16 ing and shall require that the State reimburse the  
 17 Secretary for any funds that were improperly ex-  
 18 pended for purposes prohibited or not authorized by  
 19 this subchapter, that the Secretary deduct from the  
 20 administrative portion of the State allotment for the  
 21 following fiscal year an amount that is less than or  
 22 equal to any improperly expended funds, or a com-  
 23 bination of such options.”.

1 **SEC. 810. PAYMENTS.**

2 Section 658J(c) (42 U.S.C. 9858h(c)) is amended by  
3 striking “expended” and inserting “obligated”.

4 **SEC. 811. ANNUAL REPORT AND AUDITS.**

5 Section 658K (42 U.S.C. 9858i) is amended—

6 (1) in the section heading by striking “ANNUAL  
7 REPORT” and inserting “REPORTS”;

8 (2) in subsection (a), to read as follows:

9 “(a) REPORTS.—

10 “(1) COLLECTION OF INFORMATION BY  
11 STATES.—

12 “(A) IN GENERAL.—A State that receives  
13 funds to carry out this subchapter shall collect  
14 the information described in subparagraph (B)  
15 on a monthly basis.

16 “(B) REQUIRED INFORMATION.—The in-  
17 formation required under this subparagraph  
18 shall include, with respect to a family unit re-  
19 ceiving assistance under this subchapter infor-  
20 mation concerning—

21 “(i) family income;

22 “(ii) county of residence;

23 “(iii) the gender, race, and age of  
24 children receiving such assistance;

25 “(iv) whether the family includes only  
26 1 parent;

1 “(v) the sources of family income, in-  
2 cluding the amount obtained from (and  
3 separately identified)—

4 “(I) employment, including self-  
5 employment;

6 “(II) cash or other assistance  
7 under part A of title IV of the Social  
8 Security Act;

9 “(III) housing assistance;

10 “(IV) assistance under the Food  
11 Stamp Act of 1977; and

12 “(V) other assistance programs;

13 “(vi) the number of months the family  
14 has received benefits;

15 “(vii) the type of child care in which  
16 the child was enrolled (such as family child  
17 care, home care, or center-based child  
18 care);

19 “(viii) whether the child care provider  
20 involved was a relative;

21 “(ix) the cost of child care for such  
22 families; and

23 “(x) the average hours per week of  
24 such care;

1 during the period for which such information is  
2 required to be submitted.

3 “(C) SUBMISSION TO SECRETARY.—A  
4 State described in subparagraph (A) shall, on a  
5 quarterly basis, submit the information required  
6 to be collected under subparagraph (B) to the  
7 Secretary.

8 “(D) SAMPLING.—The Secretary may dis-  
9 approve the information collected by a State  
10 under this paragraph if the State uses sampling  
11 methods to collect such information.

12 “(2) BIENNIAL REPORTS.—Not later than De-  
13 cember 31, 1997, and every 6 months thereafter, a  
14 State described in paragraph (1)(A) shall prepare  
15 and submit to the Secretary a report that includes  
16 aggregate data concerning—

17 “(A) the number of child care providers  
18 that received funding under this subchapter as  
19 separately identified based on the types of pro-  
20 viders listed in section 658P(5);

21 “(B) the monthly cost of child care serv-  
22 ices, and the portion of such cost that is paid  
23 for with assistance provided under this sub-  
24 chapter, listed by the type of child care services  
25 provided;

1           “(C) the number of payments made by the  
2           State through vouchers, contracts, cash, and  
3           disregards under public benefit programs, listed  
4           by the type of child care services provided;

5           “(D) the manner in which consumer edu-  
6           cation information was provided to parents and  
7           the number of parents to whom such informa-  
8           tion was provided; and

9           “(E) the total number (without duplica-  
10          tion) of children and families served under this  
11          subchapter;

12          during the period for which such report is required  
13          to be submitted.”; and

14          (2) in subsection (b)—

15                 (A) in paragraph (1) by striking “a appli-  
16                 cation” and inserting “an application”;

17                 (B) in paragraph (2) by striking “any  
18                 agency administering activities that receive”  
19                 and inserting “the State that receives”; and

20                 (C) in paragraph (4) by striking “entitles”  
21                 and inserting “entitled”.

22   **SEC. 812. REPORT BY THE SECRETARY.**

23          Section 658L (42 U.S.C. 9858j) is amended—

24                 (1) by striking “1993” and inserting “1997”;

1           (2) by striking “annually” and inserting “bien-  
2           nially”; and

3           (3) by striking “Education and Labor” and in-  
4           serting “Economic and Educational Opportunities”.

5 **SEC. 813. ALLOTMENTS.**

6           Section 658O (42 U.S.C. 9858m) is amended—

7           (1) in subsection (a)—

8           (A) in paragraph (1)

9           (i) by striking “POSSESSIONS” and in-  
10          serting “POSSESSIONS”;

11          (ii) by inserting “and” after  
12          “States,”; and

13          (iii) by striking “, and the Trust Ter-  
14          ritory of the Pacific Islands”; and

15          (B) in paragraph (2), by striking “3 per-  
16          cent” and inserting “1 percent”;

17          (2) in subsection (c)—

18          (A) in paragraph (5) by striking “our” and  
19          inserting “out”; and

20          (B) by adding at the end thereof the fol-  
21          lowing new paragraph:

22          “(6) CONSTRUCTION OR RENOVATION OF FA-  
23          CILITIES.—

24                 “(A) REQUEST FOR USE OF FUNDS.—An  
25          Indian tribe or tribal organization may submit



1 to the Secretary a request to use amounts pro-  
2 vided under this subsection for construction or  
3 renovation purposes.

4 “(B) DETERMINATION.—With respect to a  
5 request submitted under subparagraph (A), and  
6 except as provided in subparagraph (C), upon a  
7 determination by the Secretary that adequate  
8 facilities are not otherwise available to an In-  
9 dian tribe or tribal organization to enable such  
10 tribe or organization to carry out child care  
11 programs in accordance with this subchapter,  
12 and that the lack of such facilities will inhibit  
13 the operation of such programs in the future,  
14 the Secretary may permit the tribe or organiza-  
15 tion to use assistance provided under this sub-  
16 section to make payments for the construction  
17 or renovation of facilities that will be used to  
18 carry out such programs.

19 “(C) LIMITATION.—The Secretary may not  
20 permit an Indian tribe or tribal organization to  
21 use amounts provided under this subsection for  
22 construction or renovation if such use will re-  
23 sult in a decrease in the level of child care serv-  
24 ices provided by the tribe or organization as  
25 compared to the level of such services provided

1 by the tribe or organization in the fiscal year  
2 preceding the year for which the determination  
3 under subparagraph (A) is being made.

4 “(D) UNIFORM PROCEDURES.—The Sec-  
5 retary shall develop and implement uniform  
6 procedures for the solicitation and consideration  
7 of requests under this paragraph.”; and

8 (3) in subsection (e), by adding at the end  
9 thereof the following new paragraph:

10 “(4) INDIAN TRIBES OR TRIBAL ORGANIZA-  
11 TIONS.—Any portion of a grant or contract made to  
12 an Indian tribe or tribal organization under sub-  
13 section (c) that the Secretary determines is not  
14 being used in a manner consistent with the provision  
15 of this subchapter in the period for which the grant  
16 or contract is made available, shall be allotted by the  
17 Secretary to other tribes or organizations that have  
18 submitted applications under subsection (c) in ac-  
19 cordance with their respective needs.”.

20 **SEC. 814. DEFINITIONS.**

21 Section 658P (42 U.S.C. 9858n) is amended—

22 (1) in paragraph (2), in the first sentence by  
23 inserting “or as a deposit for child care services if  
24 such a deposit is required of other children being

1       cared for by the provider” after “child care serv-  
2       ices”; and

3               (2) by striking paragraph (3);

4               (3) in paragraph (4)(B), by striking “75 per-  
5       cent” and inserting “85 percent”;

6               (4) in paragraph (5)(B)—

7                       (A) by inserting “great grandchild, sibling  
8                       (if such provider lives in a separate residence),”  
9                       after “grandchild,”;

10               (B) by striking “is registered and”; and

11               (C) by striking “State” and inserting “ap-  
12       plicable”.

13               (5) by striking paragraph (10);

14               (6) in paragraph (13)—

15                       (A) by inserting “or” after “Samoa,”; and

16                       (B) by striking “, and the Trust Territory  
17       of the Pacific Islands”;

18               (7) in paragraph (14)—

19                       (A) by striking “The term” and inserting  
20       the following:

21                               “(A) IN GENERAL.—The term”; and

22                               (B) by adding at the end thereof the fol-  
23       lowing new subparagraph:

24                               “(B) OTHER ORGANIZATIONS.—Such term  
25       includes a Native Hawaiian Organization, as

1 defined in section 4009(4) of the Augustus F.  
2 Hawkins-Robert T. Stafford Elementary and  
3 Secondary School Improvement Amendments of  
4 1988 (20 U.S.C. 4909(4)) and a private non-  
5 profit organization established for the purpose  
6 of serving youth who are Indians or Native Ha-  
7 waiians.”.

8 **SEC. 815. REPEALS.**

9 (a) CHILD DEVELOPMENT ASSOCIATE SCHOLARSHIP  
10 ASSISTANCE ACT OF 1985.—Title VI of the Human Serv-  
11 ices Reauthorization Act of 1986 (42 U.S.C. 10901–  
12 10905) is repealed.

13 (b) STATE DEPENDENT CARE DEVELOPMENT  
14 GRANTS ACT.—Subchapter E of chapter 8 of subtitle A  
15 of title VI of the Omnibus Budget Reconciliation Act of  
16 1981 (42 U.S.C. 9871–9877) is repealed.

17 (c) PROGRAMS OF NATIONAL SIGNIFICANCE.—Title  
18 X of the Elementary and Secondary Education Act of  
19 1965, as amended by Public Law 103–382 (108 Stat.  
20 3809 et seq.), is amended—

21 (1) in section 10413(a) by striking paragraph  
22 (4),  
23 (2) in section 10963(b)(2) by striking subpara-  
24 graph (G), and

1 (3) in section 10974(a)(6) by striking subpara-  
 2 graph (G).

3 (d) NATIVE HAWAIIAN FAMILY-BASED EDUCATION  
 4 CENTERS.—Section 9205 of the Native Hawaiian Edu-  
 5 cation Act (Public Law 103–382; 108 Stat. 3794) is re-  
 6 pealed.

7 **SEC. 816. EFFECTIVE DATE.**

8 (a) IN GENERAL.—Except as provided in subsection  
 9 (b), this title and the amendments made by this title shall  
 10 take effect on October 1, 1996.

11 (b) EXCEPTION.—The amendment made by section  
 12 803(a) shall take effect on the date of enactment of this  
 13 Act.

14 **TITLE IX—CHILD NUTRITION**  
 15 **PROGRAMS**  
 16 **Subtitle A—National School Lunch**  
 17 **Act**

18 **SEC. 901. STATE DISBURSEMENT TO SCHOOLS.**

19 (a) IN GENERAL.—Section 8 of the National School  
 20 Lunch Act (42 U.S.C. 1757) is amended—

21 (1) in the third sentence, by striking “Nothing”  
 22 and all that follows through “educational agency to”  
 23 and inserting “The State educational agency may”;

24 (2) by striking the fourth, fifth, and eighth sen-  
 25 tences;

1           (3) by redesignating the first through sixth sen-  
2           tences, as amended by paragraph (1), as subsections  
3           (a) through (f), respectively;

4           (4) in subsection (b), as redesignated by para-  
5           graph (3), by striking “the preceding sentence” and  
6           inserting “subsection (a)”; and

7           (5) in subsection (d), as redesignated by para-  
8           graph (3), by striking “Such food costs” and insert-  
9           ing “Use of funds paid to States”.

10          (b) DEFINITION OF CHILD.—Section 12(d) of the Act  
11       (42 U.S.C. 1760(d)) is amended by adding at the end the  
12       following:

13               “(9) ‘child’ includes an individual, regardless of  
14       age, who—

15               “(A) is determined by a State educational  
16               agency, in accordance with regulations pre-  
17               scribed by the Secretary, to have 1 or more  
18               mental or physical disabilities; and

19               “(B) is attending any institution, as de-  
20               fined in section 17(a), or any nonresidential  
21               public or nonprofit private school of high school  
22               grade or under, for the purpose of participating  
23               in a school program established for individuals  
24               with mental or physical disabilities.

1       No institution that is not otherwise eligible to par-  
2       ticipate in the program under section 17 shall be  
3       considered eligible because of this paragraph.”.

4   **SEC. 902. NUTRITIONAL AND OTHER PROGRAM REQUIRE-**  
5                   **MENTS.**

6       (a) NUTRITIONAL STANDARDS.—Section 9(a) of the  
7   National School Lunch Act (42 U.S.C. 1758(a)) is amend-  
8   ed—

9               (1) in paragraph (2)—

10               (A) by striking “(2)(A) Lunches” and in-  
11               serting “(2) Lunches”;

12               (B) by striking subparagraph (B); and

13               (C) by redesignating clauses (i) and (ii) as  
14               subparagraphs (A) and (B), respectively;

15               (2) by striking paragraph (3); and

16               (3) by redesignating paragraph (4) as para-  
17               graph (3).

18       (b) ELIGIBILITY GUIDELINES.—Section 9(b) of the  
19   Act is amended—

20               (1) in paragraph (2)—

21               (A) by striking subparagraph (A); and

22               (B) by redesignating subparagraphs (B)  
23               and (C) as subparagraphs (A) and (B), respec-  
24               tively;

1           (2) in paragraph (5), by striking the third sen-  
2       tence; and

3           (3) in paragraph (6), by striking “paragraph  
4       (2)(C)” and inserting “paragraph (2)(B)”.

5       (c) UTILIZATION OF AGRICULTURAL COMMOD-  
6       ITIES.—Section 9(c) of the Act is amended by striking the  
7       second, fourth, and sixth sentences.

8       (d) CONFORMING AMENDMENT.—The last sentence  
9       of section 9(d)(1) of the Act is amended by striking “sub-  
10      section (b)(2)(C)” and inserting “subsection (b)(2)(B)”.

11      (e) NUTRITIONAL INFORMATION.—Section 9(f) of the  
12      Act is amended—

13           (1) by striking paragraph (1);

14           (2) by striking “(2)”;

15           (3) by redesignating subparagraphs (A) through  
16      (D) as paragraphs (1) through (4), respectively;

17           (4) by striking paragraph (1), as redesignated  
18      by paragraph (3), and inserting the following:

19           “(1) NUTRITIONAL REQUIREMENTS.—Except as  
20      provided in paragraph (2), not later than the first  
21      day of the 1996–1997 school year, schools that are  
22      participating in the school lunch or school breakfast  
23      program shall serve lunches and breakfasts under  
24      the program that—



1           “(A) are consistent with the goals of the  
2           most recent Dietary Guidelines for Americans  
3           published under section 301 of the National  
4           Nutrition Monitoring and Related Research Act  
5           of 1990 (7 U.S.C. 5341); and

6           “(B) provide, on the average over each  
7           week, at least—

8                   “(i) with respect to school lunches,  $\frac{1}{3}$   
9                   of the daily recommended dietary allow-  
10                  ance established by the Food and Nutrition  
11                  Board of the National Research Council of  
12                  the National Academy of Sciences; and

13                  “(ii) with respect to school breakfasts,  
14                   $\frac{1}{4}$  of the daily recommended dietary allow-  
15                  ance established by the Food and Nutrition  
16                  Board of the National Research Council of  
17                  the National Academy of Sciences.”;

18           (5) in paragraph (3), as redesignated by para-  
19           graph (3)—

20                   (A) by redesignating clauses (i) and (ii) as  
21                   subparagraphs (A) and (B), respectively; and

22                   (B) in subparagraph (A), as so redesign-  
23                   ated, by redesignating subclauses (I) and (II)  
24                   as clauses (i) and (ii), respectively; and

1           (6) in paragraph (4), as redesignated by para-  
2           graph (3), by striking “subparagraph (C)” and in-  
3           serting “paragraph (3)”.

4           (f) USE OF RESOURCES.—Section 9 of the Act is  
5           amended by striking subsection (h).

6   **SEC. 903. FREE AND REDUCED PRICE POLICY STATEMENT.**

7           Section 9(b)(2) of the National School Lunch Act (42  
8   U.S.C. 1758(b)(2)), as amended by section 902(b)(1), is  
9           further amended by adding at the end the following:

10                   “(C) FREE AND REDUCED PRICE POLICY  
11           STATEMENT.—After the initial submission, a  
12           school shall not be required to submit a free  
13           and reduced price policy statement to a State  
14           educational agency under this Act unless there  
15           is a substantive change in the free and reduced  
16           price policy of the school. A routine change in  
17           the policy of a school, such as an annual adjust-  
18           ment of the income eligibility guidelines for free  
19           and reduced price meals, shall not be sufficient  
20           cause for requiring the school to submit a policy  
21           statement.”.

22   **SEC. 904. SPECIAL ASSISTANCE.**

23           (a) FINANCING BASED ON NEED.—Section 11(b) of  
24   the National School Lunch Act (42 U.S.C. 1759a(b)) is  
25   amended—

1           (1) in the second sentence, by striking “, with-  
2           in” and all that follows through “all States,”; and

3           (2) by striking the third sentence.

4           (b) **APPLICABILITY OF OTHER PROVISIONS.**—Section  
5 11 of the Act is amended—

6           (1) by striking subsection (d);

7           (2) in subsection (e)(2)—

8                 (A) by striking “The” and inserting “On  
9                 request of the Secretary, the”; and

10                (B) by striking “each month”; and

11           (3) by redesignating subsections (e) and (f), as  
12           so amended, as subsections (d) and (e), respectively.

13 **SEC. 905. MISCELLANEOUS PROVISIONS AND DEFINITIONS.**

14           (a) **ACCOUNTS AND RECORDS.**—Section 12(a) of the  
15 National School Lunch Act (42 U.S.C. 1760(a)) is amend-  
16 ed by striking “at all times be available” and inserting  
17 “be available at any reasonable time”.

18           (b) **RESTRICTION ON REQUIREMENTS.**—Section  
19 12(c) of the Act is amended by striking “neither the Sec-  
20 retary nor the State shall” and inserting “the Secretary  
21 shall not”.

22           (c) **DEFINITIONS.**—Section 12(d) of the Act, as  
23 amended by section 901(b), is further amended—

1 (1) in paragraph (1), by striking “the Trust  
 2 Territory of the Pacific Islands” and inserting “the  
 3 Commonwealth of the Northern Mariana Islands”;

4 (2) by striking paragraphs (3) and (4); and

5 (3) by redesignating paragraphs (1), (2), and  
 6 (5) through (9) as paragraphs (6), (7), (3), (4), (2),  
 7 (5), and (1), respectively, and rearranging the para-  
 8 graphs so as to appear in numerical order.

9 (d) ADJUSTMENTS TO NATIONAL AVERAGE PAY-  
 10 MENT RATES.—Section 12(f) of the Act is amended by  
 11 striking “the Trust Territory of the Pacific Islands,”.

12 (e) EXPEDITED RULEMAKING.—Section 12(k) of the  
 13 Act is  
 14 amended—

15 (1) by striking paragraphs (1), (2), and (5);

16 and

17 (2) by redesignating paragraphs (3) and (4) as  
 18 paragraphs (1) and (2), respectively.

19 (f) WAIVER.—Section 12(l) of the Act is amended—

20 (1) in paragraph (2)—

21 (A) by striking “(A)”;

22 (B) in clause (iii), by adding “and” at the  
 23 end;

24 (C) in clause (iv), by striking the semicolon  
 25 at the end and inserting a period;

1 (D) by striking clauses (v) through (vii);  
2 (E) by striking subparagraph (B); and  
3 (F) by redesignating clauses (i) through  
4 (iv), as so amended, as subparagraphs (A)  
5 through (D), respectively;  
6 (2) in paragraph (3)—  
7 (A) by striking “(A)”; and  
8 (B) by striking subparagraphs (B) through  
9 (D);  
10 (3) in paragraph (4)—  
11 (A) in the matter preceding subparagraph  
12 (A), by striking “of any requirement relating”  
13 and inserting “that increases Federal costs or  
14 that relates”;  
15 (B) by striking subparagraphs (B), (D),  
16 (F), (H), (J), (K), and (L);  
17 (C) by redesignating subparagraphs (C),  
18 (E), (G), (I), (M), and (N) as subparagraphs  
19 (B) through (G), respectively; and  
20 (D) in subparagraph (F), as redesignated  
21 by subparagraph (C), by striking “and” at the  
22 end and inserting “or”; and  
23 (4) in paragraph (6)—  
24 (A) by striking “(A)(i)” and all that fol-  
25 lows through “(B)”; and

1 (B) by redesignating clauses (i) through  
 2 (iv) as subparagraphs (A) through (D), respec-  
 3 tively.

4 (g) FOOD AND NUTRITION PROJECTS.—Section 12  
 5 of the Act is amended by striking subsection (m).

6 **SEC. 906. SUMMER FOOD SERVICE PROGRAM FOR CHIL-**  
 7 **DREN.**

8 (a) ESTABLISHMENT OF PROGRAM.—Section 13(a)  
 9 of the National School Lunch Act (42 U.S.C. 1761(a))  
 10 is amended—

11 (1) in paragraph (1)—

12 (A) in the first sentence, by striking “initiate,  
 13 maintain, and expand” and inserting “initiate  
 14 and maintain”; and

15 (B) in subparagraph (E) of the second  
 16 sentence, by striking “the Trust Territory of  
 17 the Pacific Islands,”; and

18 (2) in paragraph (7)(A), by striking “Except as  
 19 provided in subparagraph (C), private” and inserting  
 20 “Private”.

21 (b) SERVICE INSTITUTIONS.—Section 13(b) of the  
 22 Act is amended by striking “(b)(1)” and all that follows  
 23 through the end of paragraph (1) and inserting the follow-  
 24 ing:

25 “(b) SERVICE INSTITUTIONS.—

1 “(1) PAYMENTS.—

2 “(A) IN GENERAL.—Except as otherwise  
3 provided in this paragraph, payments to service  
4 institutions shall equal the full cost of food  
5 service operations (which cost shall include the  
6 costs of obtaining, preparing, and serving food,  
7 but shall not include administrative costs).

8 “(B) MAXIMUM AMOUNTS.—Subject to  
9 subparagraph (C), payments to any institution  
10 under subparagraph (A) shall not exceed—

11 “(i) \$1.82 for each lunch and supper  
12 served;

13 “(ii) \$1.13 for each breakfast served;  
14 and

15 “(iii) 46 cents for each meal supple-  
16 ment served.

17 “(C) ADJUSTMENTS.—Amounts specified  
18 in subparagraph (B) shall be adjusted on Janu-  
19 ary 1, 1997, and each January 1 thereafter, to  
20 the nearest lower cent increment in accordance  
21 with the changes for the 12-month period end-  
22 ing the preceding November 30 in the series for  
23 food away from home of the Consumer Price  
24 Index for All Urban Consumers published by  
25 the Bureau of Labor Statistics of the Depart-

1           ment of Labor. Each adjustment shall be based  
2           on the unrounded adjustment for the prior 12-  
3           month period.”.

4           (c) ADMINISTRATION OF SERVICE INSTITUTIONS.—  
5   Section 13(b)(2) of the Act is amended—

6           (1) in the first sentence, by striking “four  
7           meals” and inserting “3 meals, or 2 meals and 1  
8           supplement,”; and

9           (2) by striking the second sentence.

10          (d) REIMBURSEMENTS.—Section 13(c)(2) of the Act  
11   is amended—

12           (1) by striking subparagraph (A);

13           (2) in subparagraph (B)—

14           (A) in the first sentence—

15           (i) by striking “, and such higher edu-  
16           cation institutions,”; and

17           (ii) by striking “without application”  
18           and inserting “upon showing residence in  
19           areas in which poor economic conditions  
20           exist or on the basis of income eligibility  
21           statements for children enrolled in the pro-  
22           gram”; and

23           (B) by adding at the end the following:

24           “The higher education institutions referred to  
25           in the preceding sentence shall be eligible to



1           participate in the program under this para-  
2           graph without application.”;

3           (3) in subparagraph (C)(ii), by striking “severe  
4           need”; and

5           (4) by redesignating subparagraphs (B)  
6           through (E), as so amended, as subparagraphs (A)  
7           through (D), respectively.

8           (e) ADVANCE PROGRAM PAYMENTS.—Section  
9           13(e)(1) of the Act is amended—

10           (1) by striking “institution: *Provided*, That (A)  
11           the” and inserting “institution. The”;

12           (2) by inserting “(excluding a school)” after  
13           “any service institution”; and

14           (3) by striking “responsibilities, and (B) no”  
15           and inserting “responsibilities. No”.

16           (f) FOOD REQUIREMENTS.—Section 13(f) of the Act  
17           is amended—

18           (1) by redesignating the first through seventh  
19           sentences as paragraphs (1) through (7), respec-  
20           tively;

21           (2) by striking paragraph (3), as redesignated  
22           by paragraph (1);

23           (3) in paragraph (4), as redesignated by para-  
24           graph (1), by striking “the first sentence” and in-  
25           serting “paragraph (1)”;

1           (4) in paragraph (6), as redesignated by para-  
2           graph (1), by striking “that bacteria levels” and all  
3           that follows through the period at the end and in-  
4           serting “conformance with standards set by local  
5           health authorities.”; and

6           (5) by redesignating paragraphs (4) through  
7           (7), as redesignated by paragraph (1), as para-  
8           graphs (3) through (6), respectively.

9           (g) PERMITTING OFFER VERSUS SERVE.—Section  
10          13(f) of the Act, as amended by subsection (f), is further  
11          amended by adding at the end the following:

12                 “(7) OFFER VERSUS SERVE.—A school food au-  
13          thority participating as a service institution may  
14          permit a child attending a site on school premises  
15          operated directly by the authority to refuse not more  
16          than 1 item of a meal that the child does not intend  
17          to consume. A refusal of an offered food item shall  
18          not affect the amount of payments made under this  
19          section to a school for the meal.”.

20          (h) HEALTH DEPARTMENT INSPECTIONS.—Section  
21          13(k) of the Act is amended by striking paragraph (3).

22          (i) FOOD SERVICE MANAGEMENT COMPANIES.—Sec-  
23          tion 13(l) of the Act is amended—

24                 (1) by striking paragraph (4);

1           (2) in paragraph (5), by striking the first sen-  
2       tence; and

3           (3) by redesignating paragraph (5), as so  
4       amended, as paragraph (4).

5       (j) RECORDS.—The second sentence of section 13(m)  
6       of the Act is amended by striking “at all times be avail-  
7       able” and inserting “be available at any reasonable time”.

8       (k) REMOVING MANDATORY NOTICE TO INSTITU-  
9       TIONS.—Section 13(n)(2) of the Act is amended by strik-  
10      ing “, and its plans and schedule for informing service  
11      institutions of the availability of the program”.

12      (l) PLAN.—Section 13(n) of the Act is amended—

13           (1) in paragraph (2), by striking “including the  
14      State’s methods of assessing need”;

15           (2) by striking paragraph (3);

16           (3) in paragraph (4), by striking “and sched-  
17      ule”; and

18           (4) by redesignating paragraphs (4) through  
19      (7), as so amended, as paragraphs (3) through (6),  
20      respectively.

21      (m) MONITORING AND TRAINING.—Section 13(q) of  
22      the Act is amended—

23           (1) by striking paragraphs (2) and (4);

1           (2) in paragraph (3), by striking “paragraphs  
2           (1) and (2) of this subsection” and inserting “para-  
3           graph (1)”; and

4           (3) by redesignating paragraph (3), as so  
5           amended, as paragraph (2).

6           (n) EXPIRED PROGRAM.—Section 13 of the Act is  
7           amended—

8           (1) by striking subsection (p); and

9           (2) by redesignating subsections (q) and (r), as  
10          so amended, as subsections (p) and (q), respectively.

11          (o) EFFECTIVE DATE.—The amendments made by  
12          subsection (b) shall become effective on January 1, 1997.

13       **SEC. 907. COMMODITY DISTRIBUTION.**

14          (a) CEREAL AND SHORTENING IN COMMODITY DO-  
15          NATIONS.—Section 14(b) of the National School Lunch  
16          Act (42 U.S.C. 1762a(b)) is amended—

17               (1) by striking paragraph (1); and

18               (2) by redesignating paragraphs (2) and (3) as  
19          paragraphs (1) and (2), respectively.

20          (b) IMPACT STUDY AND PURCHASING PROCE-  
21          DURES.—Section 14(d) of the Act is amended by striking  
22          the second and third sentences.

23          (c) CASH COMPENSATION FOR PILOT PROJECT  
24          SCHOOLS.—Section 14(g) of the Act is amended by strik-  
25          ing paragraph (3).

1 (d) STATE ADVISORY COUNCIL.—Section 14 is  
2 amended—

3 (1) by striking subsection (e); and

4 (2) by redesignating subsections (f) and (g), as  
5 so amended, as subsections (e) and (f), respectively.

6 **SEC. 908. CHILD CARE FOOD PROGRAM.**

7 (a) ESTABLISHMENT OF PROGRAM.—Section 17 of  
8 the National School Lunch Act (42 U.S.C. 1766) is  
9 amended—

10 (1) in the section heading, by striking “AND  
11 ADULT”; and

12 (2) in the first sentence of subsection (a), by  
13 striking “initiate, maintain, and expand” and insert-  
14 ing “initiate and maintain”.

15 (b) PAYMENTS TO SPONSOR EMPLOYEES.—Para-  
16 graph (2) of the last sentence of section 17(a) of the Act  
17 (42 U.S.C. 1766(a)) is amended—

18 (1) by striking “and” at the end of subpara-  
19 graph (B);

20 (2) by striking the period at the end of sub-  
21 paragraph (C) and inserting “; and”; and

22 (3) by adding at the end the following:

23 “(D) in the case of a family or group day  
24 care home sponsoring organization that employs  
25 more than 1 employee, the organization does

1 not base payments to an employee of the orga-  
 2 nization on the number of family or group day  
 3 care homes recruited.”.

4 (c) TECHNICAL ASSISTANCE.—The last sentence of  
 5 section 17(d)(1) of the Act is amended by striking “, and  
 6 shall provide technical assistance” and all that follows  
 7 through “its application”.

8 (d) REIMBURSEMENT OF CHILD CARE INSTITU-  
 9 TIONS.—Section 17(f)(2)(B) of the Act (42 U.S.C.  
 10 1766(f)(2)(B)) is amended by striking “two meals and two  
 11 supplements or three meals and one supplement” and in-  
 12 serting “two meals and one supplement”.

13 (e) IMPROVED TARGETING OF DAY CARE HOME RE-  
 14 IMBURSEMENTS.—

15 (1) RESTRUCTURED DAY CARE HOME REIM-  
 16 BURSEMENTS.—Section 17(f)(3) of the Act is  
 17 amended by striking “(3)(A) Institutions” and all  
 18 that follows through the end of subparagraph (A)  
 19 and inserting the following:

20 “(3) REIMBURSEMENT OF FAMILY OR GROUP  
 21 DAY CARE HOME SPONSORING ORGANIZATIONS.—

22 “(A) REIMBURSEMENT FACTOR.—

23 “(i) IN GENERAL.—An institution  
 24 that participates in the program under this  
 25 section as a family or group day care home

1 sponsoring organization shall be provided,  
2 for payment to a home sponsored by the  
3 organization, reimbursement factors in ac-  
4 cordance with this subparagraph for the  
5 cost of obtaining and preparing food and  
6 prescribed labor costs involved in providing  
7 meals under this section.

8 “(ii) TIER I FAMILY OR GROUP DAY  
9 CARE HOMES.—

10 “(I) DEFINITION.—In this para-  
11 graph, the term ‘tier I family or group  
12 day care home’ means—

13 “(aa) a family or group day  
14 care home that is located in a ge-  
15 ographic area, as defined by the  
16 Secretary based on census data,  
17 in which at least 50 percent of  
18 the children residing in the area  
19 are members of households whose  
20 incomes meet the income eligi-  
21 bility guidelines for free or re-  
22 duced price meals under section  
23 9;

24 “(bb) a family or group day  
25 care home that is located in an

1 area served by a school enrolling  
2 elementary students in which at  
3 least 50 percent of the total num-  
4 ber of children enrolled are cer-  
5 tified eligible to receive free or  
6 reduced price school meals under  
7 this Act or the Child Nutrition  
8 Act of 1966 (42 U.S.C. 1771 et  
9 seq.); or

10 “(cc) a family or group day  
11 care home that is operated by a  
12 provider whose household meets  
13 the income eligibility guidelines  
14 for free or reduced price meals  
15 under section 9 and whose in-  
16 come is verified by the sponsor-  
17 ing or organization of the home  
18 under regulations established by  
19 the Secretary.

20 “(II) REIMBURSEMENT.—Except  
21 as provided in subclause (III), a tier  
22 I family or group day care home shall  
23 be provided reimbursement factors  
24 under this clause without a require-  
25 ment for documentation of the costs



1 described in clause (i), except that re-  
2 imbursement shall not be provided  
3 under this subclause for meals or sup-  
4 plements served to the children of a  
5 person acting as a family or group  
6 day care home provider unless the  
7 children meet the income eligibility  
8 guidelines for free or reduced price  
9 meals under section 9.

10 “(III) FACTORS.—Except as pro-  
11 vided in subclause (IV), the reim-  
12 bursement factors applied to a home  
13 referred to in subclause (II) shall be  
14 the factors in effect on July 1, 1996.

15 “(IV) ADJUSTMENTS.—The re-  
16 imbursement factors under this sub-  
17 paragraph shall be adjusted on July  
18 1, 1997, and each July 1 thereafter,  
19 to reflect changes in the Consumer  
20 Price Index for food at home for the  
21 most recent 12-month period for  
22 which the data are available. The re-  
23 imbursement factors under this sub-  
24 paragraph shall be rounded to the  
25 nearest lower cent increment and

1 based on the unrounded adjustment in  
2 effect on June 30 of the preceding  
3 school year.

4 “(iii) TIER II FAMILY OR GROUP DAY  
5 CARE HOMES.—

6 “(I) IN GENERAL.—

7 “(aa) FACTORS.—Except as  
8 provided in subclause (II), with  
9 respect to meals or supplements  
10 served under this clause by a  
11 family or group day care home  
12 that does not meet the criteria  
13 set forth in clause (ii)(I), the re-  
14 imbursement factors shall be 90  
15 cents for lunches and suppers, 25  
16 cents for breakfasts, and 10  
17 cents for supplements.

18 “(bb) ADJUSTMENTS.—The  
19 factors shall be adjusted on July  
20 1, 1997, and each July 1 there-  
21 after, to reflect changes in the  
22 Consumer Price Index for food at  
23 home for the most recent 12-  
24 month period for which the data  
25 are available. The reimbursement

1 factors under this item shall be  
2 rounded down to the nearest  
3 lower cent increment and based  
4 on the unrounded adjustment for  
5 the preceding 12-month period.

6 “(cc) REIMBURSEMENT.—A  
7 family or group day care home  
8 shall be provided reimbursement  
9 factors under this subclause with-  
10 out a requirement for docu-  
11 mentation of the costs described  
12 in clause (i), except that reim-  
13 bursement shall not be provided  
14 under this subclause for meals or  
15 supplements served to the chil-  
16 dren of a person acting as a fam-  
17 ily or group day care home pro-  
18 vider unless the children meet the  
19 income eligibility guidelines for  
20 free or reduced price meals under  
21 section 9.

22 “(II) OTHER FACTORS.—A fam-  
23 ily or group day care home that does  
24 not meet the criteria set forth in  
25 clause (ii)(I) may elect to be provided

1 reimbursement factors determined in  
2 accordance with the following require-  
3 ments:

4 “(aa) CHILDREN ELIGIBLE  
5 FOR FREE OR REDUCED PRICE  
6 MEALS.—In the case of meals or  
7 supplements served under this  
8 subsection to children who are  
9 members of households whose in-  
10 comes meet the income eligibility  
11 guidelines for free or reduced  
12 price meals under section 9, the  
13 family or group day care home  
14 shall be provided reimbursement  
15 factors set by the Secretary in  
16 accordance with clause (ii)(III).

17 “(bb) INELIGIBLE CHIL-  
18 DREN.—In the case of meals or  
19 supplements served under this  
20 subsection to children who are  
21 members of households whose in-  
22 comes do not meet the income  
23 eligibility guidelines, the family  
24 or group day care home shall be

provided reimbursement factors  
in accordance with subclause (I).

“(III) INFORMATION AND DE-  
TERMINATIONS.—

“(aa) IN GENERAL.—If a  
family or group day care home  
elects to claim the factors de-  
scribed in subclause (II), the  
family or group day care home  
sponsoring organization serving  
the home shall collect the nec-  
essary income information, as de-  
termined by the Secretary, from  
any parent or other caretaker to  
make the determinations speci-  
fied in subclause (II) and shall  
make the determinations in ac-  
cordance with rules prescribed by  
the Secretary.

“(bb) CATEGORICAL ELIGI-  
BILITY.—In making a determina-  
tion under item (aa), a family or  
group day care home sponsoring  
organization may consider a child  
participating in or subsidized

1 under, or a child with a parent  
2 participating in or subsidized  
3 under, a federally or State sup-  
4 ported child care or other benefit  
5 program with an income eligi-  
6 bility limit that does not exceed  
7 the eligibility standard for free or  
8 reduced price meals under section  
9 9 to be a child who is a member  
10 of a household whose income  
11 meets the income eligibility  
12 guidelines under section 9.

13 “(cc) FACTORS FOR CHIL-  
14 DREN ONLY.—A family or group  
15 day care home may elect to re-  
16 ceive the reimbursement factors  
17 prescribed under clause (ii)(III)  
18 solely for the children participat-  
19 ing in a program referred to in  
20 item (bb) if the home elects not  
21 to have income statements col-  
22 lected from parents or other care-  
23 takers.

24 “(IV) SIMPLIFIED MEAL COUNT-  
25 ING AND REPORTING PROCEDURES.—

1           The Secretary shall prescribe sim-  
2           plified meal counting and reporting  
3           procedures for use by a family or  
4           group day care home that elects to  
5           claim the factors under subclause (II)  
6           and by a family or group day care  
7           home sponsoring organization that  
8           sponsors the home. The procedures  
9           the Secretary prescribes may include  
10          1 or more of the following:

11                   “(aa) Setting an annual per-  
12                   centage for each home of the  
13                   number of meals served that are  
14                   to be reimbursed in accordance  
15                   with the reimbursement factors  
16                   prescribed under clause (ii)(III)  
17                   and an annual percentage of the  
18                   number of meals served that are  
19                   to be reimbursed in accordance  
20                   with the reimbursement factors  
21                   prescribed under subclause (I),  
22                   based on the family income of  
23                   children enrolled in the home in a  
24                   specified month or other period.

1                   “(bb) Placing a home into 1  
 2                   of 2 or more reimbursement cat-  
 3                   egories annually based on the  
 4                   percentage of children in the  
 5                   home whose households have in-  
 6                   comes that meet the income eligi-  
 7                   bility guidelines under section 9,  
 8                   with each such reimbursement  
 9                   category carrying a set of reim-  
 10                  bursement factors such as the  
 11                  factors prescribed under clause  
 12                  (ii)(III) or subclause (I) or fac-  
 13                  tors established within the range  
 14                  of factors prescribed under clause  
 15                  (ii)(III) and subclause (I).

16                  “(cc) Such other simplified  
 17                  procedures as the Secretary may  
 18                  prescribe.

19                  “(V) MINIMUM VERIFICATION  
 20                  REQUIREMENTS.—The Secretary may  
 21                  establish any necessary minimum ver-  
 22                  ification requirements.”.

23                  (2) GRANTS TO STATES TO PROVIDE ASSIST-  
 24                  ANCE TO FAMILY OR GROUP DAY CARE HOMES.—



1 Section 17(f)(3) of the Act is amended by adding at  
2 the end the following:

3 “(D) GRANTS TO STATES TO PROVIDE AS-  
4 SISTANCE TO FAMILY OR GROUP DAY CARE  
5 HOMES.—

6 “(i) IN GENERAL.—

7 “(I) RESERVATION.—From  
8 amounts made available to carry out  
9 this section, the Secretary shall re-  
10 serve \$5,000,000 of the amount made  
11 available for fiscal year 1997.

12 “(II) PURPOSE.—The Secretary  
13 shall use the funds made available  
14 under subclause (I) to provide grants  
15 to States for the purpose of provid-  
16 ing—

17 “(aa) assistance, including  
18 grants, to family and day care  
19 home sponsoring organizations  
20 and other appropriate organiza-  
21 tions, in securing and providing  
22 training, materials, automated  
23 data processing assistance, and  
24 other assistance for the staff of  
25 the sponsoring organizations; and

1 “(bb) training and other as-  
2 sistance to family and group day  
3 care homes in the implementation  
4 of the amendment to subpara-  
5 graph (A) made by section  
6 908(e)(1) of the Personal Re-  
7 sponsibility and Work Oppor-  
8 tunity Act of 1996.

9 “(ii) ALLOCATION.—The Secretary  
10 shall allocate from the funds reserved  
11 under clause (i)(I)—

12 “(I) \$30,000 in base funding to  
13 each State; and

14 “(II) any remaining amount  
15 among the States, based on the num-  
16 ber of family day care homes partici-  
17 pating in the program in a State dur-  
18 ing fiscal year 1995 as a percentage  
19 of the number of all family day care  
20 homes participating in the program  
21 during fiscal year 1995.

22 “(iii) RETENTION OF FUNDS.—Of the  
23 amount of funds made available to a State  
24 for fiscal year 1997 under clause (i), the  
25 State may retain not to exceed 30 percent

1 of the amount to carry out this subpara-  
2 graph.

3 “(iv) ADDITIONAL PAYMENTS.—Any  
4 payments received under this subpara-  
5 graph shall be in addition to payments  
6 that a State receives under subparagraph  
7 (A).”.

8 (3) PROVISION OF DATA.—Section 17(f)(3) of  
9 the Act, as amended by paragraph (2), is further  
10 amended by adding at the end the following:

11 “(E) PROVISION OF DATA TO FAMILY OR  
12 GROUP DAY CARE HOME SPONSORING ORGANI-  
13 ZATIONS.—

14 “(i) CENSUS DATA.—The Secretary  
15 shall provide to each State agency admin-  
16 istering a child care food program under  
17 this section data from the most recent de-  
18 cennial census survey or other appropriate  
19 census survey for which the data are avail-  
20 able showing which areas in the State meet  
21 the requirements of subparagraph  
22 (A)(ii)(I)(aa). The State agency shall pro-  
23 vide the data to family or group day care  
24 home sponsoring organizations located in  
25 the State.

1 “(ii) SCHOOL DATA.—

2 “(I) IN GENERAL.—A State  
3 agency administering the school lunch  
4 program under this Act or the school  
5 breakfast program under the Child  
6 Nutrition Act of 1966 (42 U.S.C.  
7 1771 et seq.) shall provide to ap-  
8 proved family or group day care home  
9 sponsoring organizations a list of  
10 schools serving elementary school chil-  
11 dren in the State in which not less  
12 than ½ of the children enrolled are  
13 certified to receive free or reduced  
14 price meals. The State agency shall  
15 collect the data necessary to create  
16 the list annually and provide the list  
17 on a timely basis to any approved  
18 family or group day care home spon-  
19 soring organization that requests the  
20 list.

21 “(II) USE OF DATA FROM PRE-  
22 CEDING SCHOOL YEAR.—In determin-  
23 ing for a fiscal year or other annual  
24 period whether a home qualifies as a  
25 tier I family or group day care home

1 under subparagraph (A)(ii)(I), the  
2 State agency administering the pro-  
3 gram under this section, and a family  
4 or group day care home sponsoring  
5 organization, shall use the most cur-  
6 rent available data at the time of the  
7 determination.

8 “(iii) DURATION OF DETERMINA-  
9 TION.—For purposes of this section, a de-  
10 termination that a family or group day  
11 care home is located in an area that quali-  
12 fies the home as a tier I family or group  
13 day care home (as the term is defined in  
14 subparagraph (A)(ii)(I)), shall be in effect  
15 for 3 years (unless the determination is  
16 made on the basis of census data, in which  
17 case the determination shall remain in ef-  
18 fect until more recent census data are  
19 available) unless the State agency deter-  
20 mines that the area in which the home is  
21 located no longer qualifies the home as a  
22 tier I family or group day care home.”.

23 (4) CONFORMING AMENDMENTS.—Section 17(c)  
24 of the Act is amended by inserting “except as pro-  
25 vided in subsection (f)(3),” after “For purposes of

1       this section,” each place it appears in paragraphs  
2       (1), (2), and (3).

3       (f) REIMBURSEMENT.—Section 17(f) of the Act is  
4 amended—

5           (1) in paragraph (3)—

6               (A) in subparagraph (B), by striking the  
7               third and fourth sentences; and

8               (B) in subparagraph (C)—

9                   (i) in clause (i)—

10                       (I) by striking “(i)”;

11                       (II) in the first sentence, by  
12                       striking “and expansion funds” and  
13                       all that follows through “rural areas”;

14                       (III) by striking the second sen-  
15                       tence; and

16                       (IV) by striking “and expansion  
17                       funds” each place it appears; and

18                       (ii) by striking clause (ii); and

19           (2) by striking paragraph (4).

20       (g) NUTRITIONAL REQUIREMENTS.—Section  
21 17(g)(1) of the Act is amended—

22           (1) in subparagraph (A), by striking the second  
23           sentence; and

24           (2) in subparagraph (B), by striking the second  
25           sentence.

1 (h) ELIMINATION OF STATE PAPERWORK AND OUT-  
 2 REACH BURDEN.—Section 17 of the Act is amended by  
 3 striking subsection (k) and inserting the following:

4 “(k) TRAINING AND TECHNICAL ASSISTANCE.—A  
 5 State participating in the program established under this  
 6 section shall provide sufficient training, technical assist-  
 7 ance, and monitoring to facilitate effective operation of the  
 8 program. The Secretary shall assist the State in develop-  
 9 ing plans to fulfill the requirements of this subsection.”.

10 (i) RECORDS.—The second sentence of section 17(m)  
 11 of the Act is amended by striking “at all times” and in-  
 12 serting “at any reasonable time”.

13 (j) MODIFICATION OF ADULT CARE FOOD PRO-  
 14 GRAM.—Section 17(o) of the Act is amended—

15 (1) in the first sentence of paragraph (1)—

16 (A) by striking “adult day care centers”  
 17 and inserting “day care centers for chronically  
 18 impaired disabled persons”; and

19 (B) by striking “to persons 60 years of age  
 20 or older or”; and

21 (2) in paragraph (2)—

22 (A) in subparagraph (A)—

23 (i) by striking “adult day care center”  
 24 and inserting “day care center for chron-  
 25 ically impaired disabled persons”; and

1 (ii) in clause (i)—

2 (I) by striking “adult”;

3 (II) by striking “adults” and in-  
4 serting “persons”; and

5 (III) by striking “or persons 60  
6 years of age or older”; and

7 (B) in subparagraph (B), by striking  
8 “adult day care services” and inserting “day  
9 care services for chronically impaired disabled  
10 persons”.

11 (k) UNNEEDED PROVISION.—Section 17 of the Act  
12 is amended by striking subsection (q).

13 (l) CONFORMING AMENDMENTS.—

14 (1) Section 17B(f) of the Act (42 U.S.C.  
15 1766b(f)) is amended—

16 (A) in the subsection heading, by striking  
17 “AND ADULT”; and

18 (B) in paragraph (1), by striking “and  
19 adult”.

20 (2) Section 18(e)(3)(B) of the Act (42 U.S.C.  
21 1769(e)(3)(B)) is amended by striking “and adult”.

22 (3) Section 25(b)(1)(C) of the Act (42 U.S.C.  
23 1769f(b)(1)(C)) is amended by striking “and adult”.



1           (4) Section 3(1) of the Healthy Meals for  
2   Healthy Americans Act of 1994 (Public Law 103–  
3   448) is amended by striking “and adult”.

4   (m) EFFECTIVE DATE.—

5           (1) IN GENERAL.—Except as provided in para-  
6   graph (2), the amendments made by this section  
7   shall become effective on the date of enactment of  
8   this Act.

9           (2) IMPROVED TARGETING OF DAY CARE HOME  
10   REIMBURSEMENTS.—The amendments made by  
11   paragraphs (1) and (4) of subsection (e) shall be-  
12   come effective on July 1, 1997.

13          (3) REGULATIONS.—

14           (A) INTERIM REGULATIONS.—Not later  
15   than January 1, 1997, the Secretary shall issue  
16   interim regulations to implement—

17           (i) the amendments made by para-  
18   graphs (1), (3), and (4) of subsection (e);  
19   and

20           (ii) section 17(f)(3)(C) of the National  
21   School Lunch Act (42 U.S.C.  
22   1766(f)(3)(C)).

23           (B) FINAL REGULATIONS.—Not later than  
24   July 1, 1997, the Secretary shall issue final

1 regulations to implement the provisions of law  
2 referred to in subparagraph (A).

3 (n) STUDY OF IMPACT OF AMENDMENTS ON PRO-  
4 GRAM PARTICIPATION AND FAMILY DAY CARE LICENS-  
5 ING.—

6 (1) IN GENERAL.—The Secretary of Agri-  
7 culture, in conjunction with the Secretary of Health  
8 and Human Services, shall study the impact of the  
9 amendments made by this section on—

10 (A) the number of family day care homes  
11 participating in the child care food program es-  
12 tablished under section 17 of the National  
13 School Lunch Act (42 U.S.C. 1766);

14 (B) the number of day care home sponsor-  
15 ing organizations participating in the program;

16 (C) the number of day care homes that are  
17 licensed, certified, registered, or approved by  
18 each State in accordance with regulations is-  
19 sued by the Secretary;

20 (D) the rate of growth of the numbers re-  
21 ferred to in subparagraphs (A) through (C);

22 (E) the nutritional adequacy and quality of  
23 meals served in family day care homes that—

24 (i) received reimbursement under the  
25 program prior to the amendments made by

1           this section but do not receive reimburse-  
2           ment after the amendments made by this  
3           section; or

4           (ii) received full reimbursement under  
5           the program prior to the amendments  
6           made by this section but do not receive full  
7           reimbursement after the amendments  
8           made by this section; and

9           (F) the proportion of low-income children  
10          participating in the program prior to the  
11          amendments made by this section and the pro-  
12          portion of low-income children participating in  
13          the program after the amendments made by  
14          this section.

15          (2) REQUIRED DATA.—Each State agency par-  
16          ticipating in the child care food program under sec-  
17          tion 17 of the National School Lunch Act (42  
18          U.S.C. 1766) shall submit to the Secretary data  
19          on—

20               (A) the number of family day care homes  
21               participating in the program on June 30, 1997,  
22               and June 30, 1998;

23               (B) the number of family day care homes  
24               licensed, certified, registered, or approved for

1 service on June 30, 1997, and June 30, 1998;  
2 and

3 (C) such other data as the Secretary may  
4 require to carry out this subsection.

5 (3) SUBMISSION OF REPORT.—Not later than 2  
6 years after the effective date of this section, the Sec-  
7 retary shall submit the study required under this  
8 subsection to the Committee on Economic and Edu-  
9 cational Opportunities of the House of Representa-  
10 tives and the Committee on Agriculture, Nutrition,  
11 and Forestry of the Senate.

12 **SEC. 909. PILOT PROJECTS.**

13 (a) UNIVERSAL FREE PILOT.—Section 18(d) of the  
14 National School Lunch Act (42 U.S.C. 1769(d)) is amend-  
15 ed—

16 (1) by striking paragraph (3); and

17 (2) by redesignating paragraphs (4) and (5) as  
18 paragraphs (3) and (4), respectively.

19 (b) DEMO PROJECT OUTSIDE SCHOOL HOURS.—Sec-  
20 tion 18(e) of the Act is amended—

21 (1) in paragraph (1)—

22 (A) in subparagraph (A)—

23 (i) by striking “(A)”; and

24 (ii) by striking “shall” and inserting  
25 “may”; and

1 (B) by striking subparagraph (B); and

2 (2) by striking paragraph (5) and inserting the  
3 following:

4 “(5) AUTHORIZATION OF APPROPRIATIONS.—

5 There are authorized to be appropriated to carry out  
6 this subsection such sums as are necessary for each  
7 of fiscal years 1997 and 1998.”.

8 (c) ELIMINATING PROJECTS.—Section 18 of the Act  
9 is amended—

10 (1) by striking subsections (a) and (g) through  
11 (i); and

12 (2) by redesignating subsections (b) through  
13 (f), as so amended, as subsections (a) through (e),  
14 respectively.

15 (d) CONFORMING AMENDMENT.—Section  
16 17B(d)(1)(A) of the Act (42 U.S.C. 1766b(d)(1)(A)) is  
17 amended by striking “18(c)” and inserting “18(b)”.

18 **SEC. 910. REDUCTION OF PAPERWORK.**

19 Section 19 of the National School Lunch Act (42  
20 U.S.C. 1769a) is repealed.

21 **SEC. 911. INFORMATION ON INCOME ELIGIBILITY.**

22 Section 23 of the National School Lunch Act (42  
23 U.S.C. 1769d) is repealed.

1 **SEC. 912. NUTRITION GUIDANCE FOR CHILD NUTRITION**  
2 **PROGRAMS.**

3 Section 24 of the National School Lunch Act (42  
4 U.S.C. 1769e) is repealed.

5 **SEC. 913. INFORMATION CLEARINGHOUSE.**

6 Section 26 of the National School Lunch Act (42  
7 U.S.C. 1769g) is repealed.

8 **Subtitle B—Child Nutrition Act of**  
9 **1966**

10 **SEC. 921. SPECIAL MILK PROGRAM.**

11 Section 3(a)(3) of the Child Nutrition Act of 1966  
12 (42 U.S.C. 1772(a)(3)) is amended by striking “the Trust  
13 Territory of the Pacific Islands” and inserting “the Com-  
14 monwealth of the Northern Mariana Islands”.

15 **SEC. 922. FREE AND REDUCED PRICE POLICY STATEMENT.**

16 Section 4(b)(1) of the Child Nutrition Act of 1966  
17 (42 U.S.C. 1773(b)(1)) is amended by adding at the end  
18 the following:

19 “(E) FREE AND REDUCED PRICE POLICY  
20 STATEMENT.—After the initial submission, a  
21 school shall not be required to submit a free  
22 and reduced price policy statement to a State  
23 educational agency under this Act unless there  
24 is a substantive change in the free and reduced  
25 price policy of the school. A routine change in  
26 the policy of a school, such as an annual adjust-

1           ment of the income eligibility guidelines for free  
2           and reduced price meals, shall not be sufficient  
3           cause for requiring the school to submit a policy  
4           statement.”.

5   **SEC. 923. SCHOOL BREAKFAST PROGRAM AUTHORIZATION.**

6           (a) TRAINING AND TECHNICAL ASSISTANCE IN FOOD  
7   PREPARATION.—Section 4(e)(1) of the Child Nutrition  
8   Act of 1966 (42 U.S.C. 1773(e)(1)) is amended—  
9           (1) in subparagraph (A), by striking “(A)”; and  
10          (2) by striking subparagraph (B).

11          (b) EXPANSION OF PROGRAM; STARTUP AND EXPAN-  
12   SION COSTS.—

13           (1) IN GENERAL.—Section 4 of the Act is  
14   amended by striking subsections (f) and (g).

15           (2) EFFECTIVE DATE.—The amendments made  
16   by paragraph (1) shall become effective on October  
17   1, 1996.

18   **SEC. 924. STATE ADMINISTRATIVE EXPENSES.**

19           (a) USE OF FUNDS FOR COMMODITY DISTRIBUTION  
20   ADMINISTRATION; STUDIES.—Section 7 of the Child Nu-  
21   trition Act of 1966 (42 U.S.C. 1776) is amended—

22           (1) by striking subsections (e) and (h); and  
23           (2) by redesignating subsections (f), (g), and (i)  
24   as subsections (e), (f), and (g), respectively.

1 (b) APPROVAL OF CHANGES.—Section 7(e) of the  
2 Act, as so redesignated, is amended—

3 (1) by striking “each year an annual plan” and  
4 inserting “the initial fiscal year a plan”; and

5 (2) by adding at the end the following: “After  
6 submitting the initial plan, a State shall only be re-  
7 quired to submit to the Secretary for approval a  
8 substantive change in the plan.”.

9 **SEC. 925. REGULATIONS.**

10 Section 10 of the Child Nutrition Act of 1966 (42  
11 U.S.C. 1779) is amended—

12 (1) in subsection (b)—

13 (A) in paragraph (1), by striking “(1)”;

14 and

15 (B) by striking paragraphs (2) through

16 (4); and

17 (2) in subsection (c), by striking “may” and in-  
18 serting “shall”.

19 **SEC. 926. PROHIBITIONS.**

20 Section 11(a) of the Child Nutrition Act of 1966 (42  
21 U.S.C. 1780(a)) is amended by striking “neither the Sec-  
22 retary nor the State shall” and inserting “the Secretary  
23 shall not”.



1 **SEC. 927. MISCELLANEOUS PROVISIONS AND DEFINITIONS.**

2 Section 15 of the Child Nutrition Act of 1966 (42  
3 U.S.C. 1784) is amended—

4 (1) in paragraph (1), by striking “the Trust  
5 Territory of the Pacific Islands” and inserting “the  
6 Commonwealth of the Northern Mariana Islands”;  
7 and

8 (2) in the first sentence of paragraph (3)—

9 (A) in subparagraph (A), by inserting  
10 “and” at the end; and

11 (B) by striking “, and (C)” and all that  
12 follows through “Governor of Puerto Rico”.

13 **SEC. 928. ACCOUNTS AND RECORDS.**

14 The second sentence of section 16(a) of the Child Nu-  
15 trition Act of 1966 (42 U.S.C. 1785(a)) is amended by  
16 striking “at all times be available” and inserting “be avail-  
17 able at any reasonable time”.

18 **SEC. 929. SPECIAL SUPPLEMENTAL NUTRITION PROGRAM**  
19 **FOR WOMEN, INFANTS, AND CHILDREN.**

20 (a) DEFINITIONS.—Section 17(b) of the Child Nutri-  
21 tion Act of 1966 (42 U.S.C. 1786(b)) is amended—

22 (1) in paragraph (15)(B)(iii), by inserting “of  
23 not more than 90 days” after “accommodation”;  
24 and

25 (2) in paragraph (16)—

1 (A) in subparagraph (A), by adding “and”  
2 at the end; and

3 (B) in subparagraph (B), by striking “;  
4 and” and inserting a period; and

5 (C) by striking subparagraph (C).

6 (b) SECRETARY’S PROMOTION OF WIC.—Section  
7 17(c) of the Act is amended by striking paragraph (5).

8 (c) ELIGIBLE PARTICIPANTS.—Section 17(d) of the  
9 Act is amended by striking paragraph (4).

10 (d) NUTRITION EDUCATION AND DRUG ABUSE EDU-  
11 CATION.—Section 17(e) of the Act is amended—

12 (1) in the first sentence of paragraph (1), by  
13 striking “shall ensure” and all that follows through  
14 “is provided” and inserting “shall provide nutrition  
15 education and may provide drug abuse education”;

16 (2) in paragraph (2), by striking the third sen-  
17 tence;

18 (3) by striking paragraph (4) and inserting the  
19 following:

20 “(4) INFORMATION.—The State agency may  
21 provide a local agency with materials describing  
22 other programs for which participants in the pro-  
23 gram may be eligible.”;

1           (4) in paragraph (5), by striking “The State”  
2           and all that follows through “local agency shall” and  
3           inserting “A local agency may”; and

4           (5) by striking paragraph (6).

5           (e) STATE PLAN.—Section 17(f) of the Act is amend-  
6   ed—

7           (1) in paragraph (1)—

8           (A) in subparagraph (A)—

9           (i) by striking “annually to the Sec-  
10          retary, by a date specified by the Sec-  
11          retary, a” and inserting “to the Secretary,  
12          by a date specified by the Secretary, an  
13          initial”; and

14          (ii) by adding at the end the follow-  
15          ing: “After submitting the initial plan, a  
16          State shall only be required to submit to  
17          the Secretary for approval a substantive  
18          change in the plan.”;

19          (B) in subparagraph (C)—

20          (i) by striking clause (iii) and insert-  
21          ing the following:

22          “(iii) a plan to coordinate operations under the  
23          program with other services or programs that may  
24          benefit participants in, and applicants for, the pro-  
25          gram;”;

1 (ii) in clause (vi), by inserting after  
2 “in the State” the following: “(including a  
3 plan to improve access to the program for  
4 participants and prospective applicants  
5 who are employed, or who reside in rural  
6 areas)”;

7 (iii) by striking clauses (vii), (ix), (x),  
8 and (xii);

9 (iv) in clause (xiii), by striking “may  
10 require” and inserting “may reasonably re-  
11 quire”; and

12 (v) by redesignating clauses (viii),  
13 (xi), and (xiii), as so amended, as clauses  
14 (vii), (viii), and (ix), respectively;

15 (C) by striking subparagraph (D); and

16 (D) by redesignating subparagraph (E) as  
17 subparagraph (D);

18 (2) by striking paragraphs (2), (6), (8), (20),  
19 (22), and (24);

20 (3) in the second sentence of paragraph (5), by  
21 striking “at all times be available” and inserting “be  
22 available at any reasonable time”;

23 (4) in paragraph (9)(B), by striking the second  
24 sentence;

1           (5) in the first sentence of paragraph (11), by  
2       striking “, including standards that will ensure suffi-  
3       cient State agency staff”;

4           (6) in paragraph (12), by striking the third sen-  
5       tence;

6           (7) in paragraph (14), by striking “shall” and  
7       inserting “may”;

8           (8) in paragraph (17), by striking “and to ac-  
9       commodate” and all that follows through “facili-  
10      ties”;

11          (9) in paragraph (19), by striking “shall” and  
12      inserting “may”; and

13          (10) by redesignating paragraphs (3), (4), (5),  
14      (7), (9) through (19), (21), and (23), as so amend-  
15      ed, as paragraphs (2), (3), (4), (5), (6) through  
16      (16), (17), and (18), respectively.

17      (f) INFORMATION.—Section 17(g) of the Act is  
18      amended—

19          (1) in paragraph (5), by striking “the report re-  
20      quired under subsection (d)(4)” and inserting “re-  
21      ports on program participant characteristics”; and

22          (2) by striking paragraph (6).

23      (g) PROCUREMENT OF INFANT FORMULA.—

24          (1) IN GENERAL.—Section 17(h) of the Act is  
25      amended—

- 1 (A) in paragraph (4)(E), by striking “and,  
2 on” and all that follows through “(d)(4)”;
- 3 (B) in paragraph (8)—
- 4 (i) by striking subparagraphs (A),  
5 (C), and (M);
- 6 (ii) in subparagraph (G)—
- 7 (I) in clause (i), by striking “(i)”;  
8 and
- 9 (II) by striking clauses (ii)  
10 through (ix);
- 11 (iii) in subparagraph (I), by striking  
12 “Secretary—” and all that follows through  
13 “(v) may” and inserting “Secretary may”;
- 14 (iv) by redesignating subparagraphs  
15 (B) and (D) through (L) as subparagraphs  
16 (A) and (B) through (J), respectively;
- 17 (v) in subparagraph (A)(i), as so re-  
18 designated, by striking “subparagraphs  
19 (C), (D), and (E)(iii), in carrying out sub-  
20 paragraph (A),” and inserting “subpara-  
21 graphs (B) and (C)(iii),”;
- 22 (vi) in subparagraph (B)(i), as so re-  
23 designated, by striking “subparagraph  
24 (B)” each place it appears and inserting  
25 “subparagraph (A)”;
- and

1 (vii) in subparagraph (C)(iii), as so  
 2 redesignated, by striking “subparagraph  
 3 (B)” and inserting “subparagraph (A)”;  
 4 and  
 5 (C) in paragraph (10)(A), by striking  
 6 “shall” and inserting “may”.

7 (2) APPLICATION.—The amendments made by  
 8 paragraph (1) shall not apply to a contract for the  
 9 procurement of infant formula under section  
 10 17(h)(8) of the Act that is in effect on the effective  
 11 date of this subsection.

12 (h) NATIONAL ADVISORY COUNCIL ON MATERNAL,  
 13 INFANT, AND FETAL NUTRITION.—Section 17(k)(3) of  
 14 the Act is amended by striking “Secretary shall designate”  
 15 and inserting “Council shall elect”.

16 (i) COMPLETED STUDY; COMMUNITY COLLEGE DEM-  
 17 ONSTRATION; GRANTS FOR INFORMATION AND DATA SYS-  
 18 TEM.—Section 17 of the Act is amended by striking sub-  
 19 sections (n), (o), and (p).

20 (j) DISQUALIFICATION OF VENDORS WHO ARE DIS-  
 21 QUALIFIED UNDER THE FOOD STAMP PROGRAM.—Sec-  
 22 tion 17 of the Act, as so amended, is further amended  
 23 by adding at the end the following:

24 “(n) DISQUALIFICATION OF VENDORS WHO ARE  
 25 DISQUALIFIED UNDER THE FOOD STAMP PROGRAM.—

1           “(1) IN GENERAL.—The Secretary shall issue  
 2 regulations providing criteria for the disqualification  
 3 under this section of an approved vendor that is dis-  
 4 qualified from accepting benefits under the food  
 5 stamp program established under the Food Stamp  
 6 Act of 1977 (7 U.S.C. 2011 et seq.).

7           “(2) TERMS.—A disqualification under para-  
 8 graph (1)—

9                   “(A) shall be for the same period as the  
 10 disqualification from the program referred to in  
 11 paragraph (1);

12                   “(B) may begin at a later date than the  
 13 disqualification from the program referred to in  
 14 paragraph (1); and

15                   “(C) shall not be subject to judicial or ad-  
 16 ministrative review.”.

17 **SEC. 930. CASH GRANTS FOR NUTRITION EDUCATION.**

18           Section 18 of the Child Nutrition Act of 1966 (42  
 19 U.S.C. 1787) is repealed.

20 **SEC. 931. NUTRITION EDUCATION AND TRAINING.**

21           (a) FINDINGS.—Section 19 of the Child Nutrition  
 22 Act of 1966 (42 U.S.C. 1788) is amended—

23                   (1) in subsection (a), by striking “that—” and  
 24 all that follows through the period at the end and  
 25 inserting “that effective dissemination of scientif-



1 ically valid information to children participating or  
 2 eligible to participate in the school lunch and related  
 3 child nutrition programs should be encouraged.”;  
 4 and

5 (2) in subsection (b), by striking “encourage”  
 6 and all that follows through “establishing” and in-  
 7 serting “establish”.

8 (b) USE OF FUNDS.—Section 19(f) of the Act is  
 9 amended—

10 (1) in paragraph (1)—

11 (A) by striking subparagraph (B); and

12 (B) in subparagraph (A)—

13 (i) by striking “(A)”;

14 (ii) by striking clauses (ix) through  
 15 (xix);

16 (iii) by redesignating clauses (i)  
 17 through (viii) and (xx) as subparagraphs  
 18 (A) through (H) and (I), respectively; and

19 (iv) in subparagraph (H), as so redesi-  
 20 gnated, by inserting “and” at the end;

21 (2) by striking paragraphs (2) and (4); and

22 (3) by redesignating paragraph (3) as para-  
 23 graph (2).

24 (c) ACCOUNTS, RECORDS, AND REPORTS.—The sec-  
 25 ond sentence of section 19(g)(1) of the Act is amended

1 by striking “at all times be available” and inserting “be  
2 available at any reasonable time”.

3 (d) STATE COORDINATORS FOR NUTRITION; STATE  
4 PLAN.—Section 19(h) of the Act is amended—

5 (1) in the second sentence of paragraph (1)—

6 (A) by striking “as provided in paragraph

7 (2) of this subsection”; and

8 (B) by striking “as provided in paragraph

9 (3) of this subsection”;

10 (2) in paragraph (2), by striking the second

11 and third sentences; and

12 (3) by striking paragraph (3).

13 (e) AUTHORIZATION OF APPROPRIATIONS.—Section  
14 19(i) of the Act is amended—

15 (1) in the first sentence of paragraph (2)(A), by

16 striking “and each succeeding fiscal year”;

17 (2) by redesignating paragraphs (3) and (4) as

18 paragraphs (4) and (5), respectively; and

19 (3) by inserting after paragraph (2) the follow-

20 ing:

21 “(3) FISCAL YEARS 1997 THROUGH 2002.—

22 “(A) IN GENERAL.—There are authorized

23 to be appropriated to carry out this section

24 \$10,000,000 for each of fiscal years 1997

25 through 2002.

1 “(B) GRANTS.—

2 “(i) IN GENERAL.—Grants to each  
3 State from the amounts made available  
4 under subparagraph (A) shall be based on  
5 a rate of 50 cents for each child enrolled  
6 in schools or institutions within the State,  
7 except that no State shall receive an  
8 amount less than \$75,000 per fiscal year.

9 “(ii) INSUFFICIENT FUNDS.—If the  
10 amount made available for any fiscal year  
11 is insufficient to pay the amount to which  
12 each State is entitled under clause (i), the  
13 amount of each grant shall be ratably re-  
14 duced.”.

15 (f) ASSESSMENT.—Section 19 of the Act is amended  
16 by striking subsection (j).

17 (g) EFFECTIVE DATE.—The amendments made by  
18 subsection (e) shall become effective on October 1, 1996.

19 **SEC. 932. BREASTFEEDING PROMOTION PROGRAM.**

20 Section 21 of the Child Nutrition Act of 1966 (42  
21 U.S.C. 1790) is repealed.

1       **TITLE X—FOOD STAMPS AND**  
2       **COMMODITY DISTRIBUTION**

3       **SEC. 1001. SHORT TITLE.**

4           This title may be cited as the “Food Stamp Reform  
5 and Commodity Distribution Act of 1996”.

6       **Subtitle A—Food Stamp Program**

7       **SEC. 1011. DEFINITION OF CERTIFICATION PERIOD.**

8           Section 3(c) of the Food Stamp Act of 1977 (7  
9 U.S.C. 2012(c)) is amended by striking “Except as pro-  
10 vided” and all that follows and inserting the following:  
11 “The certification period shall not exceed 12 months, ex-  
12 cept that the certification period may be up to 24 months  
13 if all adult household members are elderly or disabled. A  
14 State agency shall have at least 1 contact with each cer-  
15 tified household every 12 months.”.

16       **SEC. 1012. DEFINITION OF COUPON.**

17           Section 3(d) of the Food Stamp Act of 1977 (7  
18 U.S.C. 2012(d)) is amended by striking “or type of certifi-  
19 cate” and inserting “type of certificate, authorization  
20 card, cash or check issued in lieu of a coupon, or an access  
21 device, including an electronic benefit transfer card or per-  
22 sonal identification number,”.

23       **SEC. 1013. TREATMENT OF CHILDREN LIVING AT HOME.**

24           The second sentence of section 3(i) of the Food  
25 Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended by

1 striking “(who are not themselves parents living with their  
2 children or married and living with their spouses)”.

3 **SEC. 1014. OPTIONAL ADDITIONAL CRITERIA FOR SEPA-**  
4 **RATE HOUSEHOLD DETERMINATIONS.**

5 Section 3(i) of the Food Stamp Act of 1977 (7 U.S.C.  
6 2012(i)) is amended by inserting after the third sentence  
7 the following: “Notwithstanding the preceding sentences,  
8 a State may establish criteria that prescribe when individ-  
9 uals who live together, and who would be allowed to par-  
10 ticipate as separate households under the preceding sen-  
11 tences, shall be considered a single household, without re-  
12 gard to the common purchase of food and preparation of  
13 meals.”.

14 **SEC. 1015. ADJUSTMENT OF THRIFTY FOOD PLAN.**

15 The second sentence of section 3(o) of the Food  
16 Stamp Act of 1977 (7 U.S.C. 2012(o)) is amended—

17 (1) by striking “shall (1) make” and inserting  
18 the following: “shall—

19 “(1) make”;

20 (2) by striking “scale, (2) make” and inserting  
21 “scale;

22 “(2) make”;

23 (3) by striking “Alaska, (3) make” and insert-  
24 ing the following: “Alaska;

25 “(3) make”; and

1           (4) by striking “Columbia, (4) through” and all  
2           that follows through the end of the subsection and  
3           inserting the following: “Columbia; and

4           “(4) on October 1, 1996, and each October 1  
5           thereafter, adjust the cost of the diet to reflect the  
6           cost of the diet, in the preceding June, and round  
7           the result to the nearest lower dollar increment for  
8           each household size, except that on October 1, 1996,  
9           the Secretary may not reduce the cost of the diet in  
10          effect on September 30, 1996.”.

11 **SEC. 1016. DEFINITION OF HOMELESS INDIVIDUAL.**

12          Section 3(s)(2)(C) of the Food Stamp Act of 1977  
13          (7 U.S.C. 2012(s)(2)(C)) is amended by inserting “for not  
14          more than 90 days” after “temporary accommodation”.

15 **SEC. 1017. STATE OPTION FOR ELIGIBILITY STANDARDS.**

16          Section 5(b) of the Food Stamp Act of 1977 (7  
17          U.S.C. 2014(d)) is amended by striking “(b) The Sec-  
18          retary” and inserting the following:

19          “(b) ELIGIBILITY STANDARDS.—Except as otherwise  
20          provided in this Act, the Secretary”.

21 **SEC. 1018. EARNINGS OF STUDENTS.**

22          Section 5(d)(7) of the Food Stamp Act of 1977 (7  
23          U.S.C. 2014(d)(7)) is amended by striking “21” and in-  
24          serting “19”.

1 **SEC. 1019. ENERGY ASSISTANCE.**

2 (a) IN GENERAL.—Section 5(d) of the Food Stamp  
3 Act of 1977 (7 U.S.C. 2014(d)) is amended by striking  
4 paragraph (11) and inserting the following: “(11) a 1-time  
5 payment or allowance made under a Federal or State law  
6 for the costs of weatherization or emergency repair or re-  
7 placement of an unsafe or inoperative furnace or other  
8 heating or cooling device,”.

9 (b) CONFORMING AMENDMENTS.—

10 (1) Section 5(k) of the Act (7 U.S.C. 2014(k))  
11 is amended—

12 (A) in paragraph (1)—

13 (i) in subparagraph (A), by striking  
14 “plan for aid to families with dependent  
15 children approved” and inserting “program  
16 funded”; and

17 (ii) in subparagraph (B), by striking  
18 “, not including energy or utility-cost as-  
19 sistance,”;

20 (B) in paragraph (2), by striking subpara-  
21 graph (C) and inserting the following:

22 “(C) a payment or allowance described in sub-  
23 section (d)(11);” and

24 (C) by adding at the end the following:

25 “(4) THIRD PARTY ENERGY ASSISTANCE PAY-  
26 MENTS.—

1           “(A) ENERGY ASSISTANCE PAYMENTS.—

2           For purposes of subsection (d)(1), a payment  
3           made under a Federal or State law to provide  
4           energy assistance to a household shall be con-  
5           sidered money payable directly to the house-  
6           hold.

7           “(B) ENERGY ASSISTANCE EXPENSES.—

8           For purposes of subsection (e)(7), an expense  
9           paid on behalf of a household under a Federal  
10          or State law to provide energy assistance shall  
11          be considered an out-of-pocket expense incurred  
12          and paid by the household.”.

13          (2) Section 2605(f) of the Low-Income Home  
14          Energy Assistance Act of 1981 (42 U.S.C. 8624(f))  
15          is amended—

16                 (A) by striking “(f)(1) Notwithstanding”  
17                 and inserting “(f) Notwithstanding”;

18                 (B) in paragraph (1), by striking “food  
19                 stamps,”; and

20                 (C) by striking paragraph (2).

21   **SEC. 1020. DEDUCTIONS FROM INCOME.**

22          (a) IN GENERAL.—Section 5 of the Food Stamp Act  
23          of 1977 (7 U.S.C. 2014) is amended by striking sub-  
24          section (e) and inserting the following:

25          “(e) DEDUCTIONS FROM INCOME.—



1           “(1) STANDARD DEDUCTION.—The Secretary  
2       shall allow a standard deduction for each household  
3       in the 48 contiguous States and the District of Co-  
4       lumbia, Alaska, Hawaii, Guam, and the Virgin Is-  
5       lands of the United States of \$134, \$229, \$189,  
6       \$269, and \$118, respectively.

7           “(2) EARNED INCOME DEDUCTION.—

8           “(A) DEFINITION OF EARNED INCOME.—

9       In this paragraph, the term ‘earned income’  
10      does not include income excluded by subsection  
11      (d) or any portion of income earned under a  
12      work supplementation or support program, as  
13      defined under section 16(b), that is attributable  
14      to public assistance.

15          “(B) DEDUCTION.—Except as provided in  
16      subparagraph (C), a household with earned in-  
17      come shall be allowed a deduction of 20 percent  
18      of all earned income to compensate for taxes,  
19      other mandatory deductions from salary, and  
20      work expenses.

21          “(C) EXCEPTION.—The deduction de-  
22      scribed in subparagraph (B) shall not be al-  
23      lowed with respect to determining an overissu-  
24      ance due to the failure of a household to report  
25      earned income in a timely manner.

1 “(3) DEPENDENT CARE DEDUCTION.—

2 “(A) IN GENERAL.—A household shall be  
3 entitled, with respect to expenses (other than  
4 excluded expenses described in subparagraph  
5 (B)) for dependent care, to a dependent care  
6 deduction, the maximum allowable level of  
7 which shall be \$200 per month for each depend-  
8 ent child under 2 years of age and \$175 per  
9 month for each other dependent, for the actual  
10 cost of payments necessary for the care of a  
11 dependent if the care enables a household mem-  
12 ber to accept or continue employment, or train-  
13 ing or education that is preparatory for employ-  
14 ment.

15 “(B) EXCLUDED EXPENSES.—The ex-  
16 cluded expenses referred to in subparagraph  
17 (A) are—

18 “(i) expenses paid on behalf of the  
19 household by a third party;

20 “(ii) amounts made available and ex-  
21 cluded for the expenses referred to in sub-  
22 paragraph (A) under subsection (d)(3);  
23 and

24 “(iii) expenses that are paid under  
25 section 6(d)(4).

1           “(4) DEDUCTION FOR CHILD SUPPORT PAY-  
2       MENTS.—

3           “(A) IN GENERAL.—A household shall be  
4       entitled to a deduction for child support pay-  
5       ments made by a household member to or for  
6       an individual who is not a member of the  
7       household if the household member is legally  
8       obligated to make the payments.

9           “(B) METHODS FOR DETERMINING  
10       AMOUNT.—The Secretary may prescribe by reg-  
11       ulation the methods, including calculation on a  
12       retrospective basis, that a State agency shall  
13       use to determine the amount of the deduction  
14       for child support payments.

15          “(5) HOMELESS SHELTER ALLOWANCE.—A  
16       State agency may develop a standard homeless shel-  
17       ter allowance, which shall not exceed \$143 per  
18       month, for such expenses as may reasonably be ex-  
19       pected to be incurred by households in which all  
20       members are homeless individuals but are not receiv-  
21       ing free shelter throughout the month. A State agen-  
22       cy that develops the allowance may use the allow-  
23       ance in determining eligibility and allotments for the  
24       households, except that the State agency may pro-

hibit the use of the allowance for households with extremely low shelter costs.

“(6) EXCESS MEDICAL EXPENSE DEDUCTION.—

“(A) IN GENERAL.—A household containing an elderly or disabled member shall be entitled, with respect to expenses other than expenses paid on behalf of the household by a third party, to an excess medical expense deduction for the portion of the actual costs of allowable medical expenses, incurred by the elderly or disabled member, exclusive of special diets, that exceeds \$35 per month.

“(B) METHOD OF CLAIMING DEDUCTION.—

“(i) IN GENERAL.—A State agency shall offer an eligible household under subparagraph (A) a method of claiming a deduction for recurring medical expenses that are initially verified under the excess medical expense deduction in lieu of submitting information or verification on actual expenses on a monthly basis.

“(ii) METHOD.—The method described in clause (i) shall—

1                   “(I) be designed to minimize the  
 2                   burden for the eligible elderly or dis-  
 3                   abled household member choosing to  
 4                   deduct the recurrent medical expenses  
 5                   of the member pursuant to the meth-  
 6                   od;

7                   “(II) rely on reasonable estimates  
 8                   of the expected medical expenses of  
 9                   the member for the certification pe-  
 10                  riod (including changes that can be  
 11                  reasonably anticipated based on avail-  
 12                  able information about the medical  
 13                  condition of the member, public or  
 14                  private medical insurance coverage,  
 15                  and the current verified medical ex-  
 16                  penses incurred by the member); and

17                  “(III) not require further report-  
 18                  ing or verification of a change in med-  
 19                  ical expenses if such a change has  
 20                  been anticipated for the certification  
 21                  period.

22                  “(7) EXCESS SHELTER EXPENSE DEDUC-  
 23                  TION.—

24                  “(A) IN GENERAL.—A household shall be  
 25                  entitled, with respect to expenses other than ex-

1           penses paid on behalf of the household by a  
2           third party, to an excess shelter expense deduc-  
3           tion to the extent that the monthly amount ex-  
4           pended by a household for shelter exceeds an  
5           amount equal to 50 percent of monthly house-  
6           hold income after all other applicable deduc-  
7           tions have been allowed.

8           “(B) MAXIMUM AMOUNT OF DEDUC-  
9           TION.—In the case of a household that does not  
10          contain an elderly or disabled individual, the ex-  
11          cess shelter expense deduction shall not ex-  
12          ceed—

13               “(i) in the 48 contiguous States and  
14               the District of Columbia, \$247 per month;  
15               and

16               “(ii) in Alaska, Hawaii, Guam, and  
17               the Virgin Islands of the United States,  
18               \$429, \$353, \$300, and \$182 per month,  
19               respectively.

20          “(C) STANDARD UTILITY ALLOWANCE.—

21               “(i) IN GENERAL.—In computing the  
22               excess shelter expense deduction, a State  
23               agency may use a standard utility allow-  
24               ance in accordance with regulations pro-  
25               mulgated by the Secretary, except that a

1 State agency may use an allowance that  
2 does not fluctuate within a year to reflect  
3 seasonal variations.

4 “(ii) RESTRICTIONS ON HEATING AND  
5 COOLING EXPENSES.—An allowance for a  
6 heating or cooling expense may not be used  
7 in the case of a household that—

8 “(I) does not incur a heating or  
9 cooling expense, as the case may be;

10 “(II) does incur a heating or  
11 cooling expense but is located in a  
12 public housing unit that has central  
13 utility meters and charges households,  
14 with regard to the expense, only for  
15 excess utility costs; or

16 “(III) shares the expense with,  
17 and lives with, another individual not  
18 participating in the food stamp pro-  
19 gram, another household participating  
20 in the food stamp program, or both,  
21 unless the allowance is prorated be-  
22 tween the household and the other in-  
23 dividual, household, or both.

24 “(iii) MANDATORY ALLOWANCE.—

1                   “(I) IN GENERAL.—A State  
2 agency may make the use of a stand-  
3 ard utility allowance mandatory for all  
4 households with qualifying utility  
5 costs if—

6                   “(aa) the State agency has  
7 developed 1 or more standards  
8 that include the cost of heating  
9 and cooling and 1 or more stand-  
10 ards that do not include the cost  
11 of heating and cooling; and

12                   “(bb) the Secretary finds  
13 that the standards will not result  
14 in an increased cost to the Sec-  
15 retary.

16                   “(II) HOUSEHOLD ELECTION.—  
17 A State agency that has not made the  
18 use of a standard utility allowance  
19 mandatory under subclause (I) shall  
20 allow a household to switch, at the  
21 end of a certification period, between  
22 the standard utility allowance and a  
23 deduction based on the actual utility  
24 costs of the household.



1                   “(iv) AVAILABILITY OF ALLOWANCE  
2                   TO RECIPIENTS OF ENERGY ASSISTANCE.—

3                   “(I) IN GENERAL.—Subject to  
4                   subclause (II), if a State agency elects  
5                   to use a standard utility allowance  
6                   that reflects heating or cooling costs,  
7                   the standard utility allowance shall be  
8                   made available to households receiving  
9                   a payment, or on behalf of which a  
10                  payment is made, under the Low-In-  
11                  come Home Energy Assistance Act of  
12                  1981 (42 U.S.C. 8621 et seq.) or  
13                  other similar energy assistance pro-  
14                  gram, if the household still incurs out-  
15                  of-pocket heating or cooling expenses  
16                  in excess of any assistance paid on be-  
17                  half of the household to an energy  
18                  provider.

19                  “(II) SEPARATE ALLOWANCE.—A  
20                  State agency may use a separate  
21                  standard utility allowance for house-  
22                  holds on behalf of which a payment  
23                  described in subclause (I) is made,  
24                  but may not be required to do so.

1                   “(III) STATES NOT ELECTING TO  
2                   USE SEPARATE ALLOWANCE.—A State  
3                   agency that does not elect to use a  
4                   separate allowance but makes a single  
5                   standard utility allowance available to  
6                   households incurring heating or cool-  
7                   ing expenses (other than a household  
8                   described in subclause (I) or (II) of  
9                   subparagraph (C)(ii)) may not be re-  
10                  quired to reduce the allowance due to  
11                  the provision (directly or indirectly) of  
12                  assistance under the Low-Income  
13                  Home Energy Assistance Act of 1981  
14                  (42 U.S.C. 8621 et seq.).

15                  “(IV) PRORATION OF ASSIST-  
16                  ANCE.—For the purpose of the food  
17                  stamp program, assistance provided  
18                  under the Low-Income Home Energy  
19                  Assistance Act of 1981 (42 U.S.C.  
20                  8621 et seq.) shall be considered to be  
21                  prorated over the entire heating or  
22                  cooling season for which the assist-  
23                  ance was provided.”.

24                  (b) CONFORMING AMENDMENT.—Section 11(e)(3) of  
25                  the Act (7 U.S.C. 2020(e)(3)) is amended by striking “.

1 Under rules prescribed” and all that follows through  
 2 “verifies higher expenses”.

3 **SEC. 1021. VEHICLE ALLOWANCE.**

4 Section 5(g) of the Food Stamp Act of 1977 (7  
 5 U.S.C. 2014(g)) is amended by striking paragraph (2) and  
 6 inserting the following:

7 “(2) INCLUDED ASSETS.—

8 “(A) IN GENERAL.—Subject to the other  
 9 provisions of this paragraph, the Secretary  
 10 shall, in prescribing inclusions in, and exclu-  
 11 sions from, financial resources, follow the regu-  
 12 lations in force as of June 1, 1982 (other than  
 13 those relating to licensed vehicles and inaccess-  
 14 sible resources).

15 “(B) ADDITIONAL INCLUDED ASSETS.—  
 16 The Secretary shall include in financial re-  
 17 sources—

18 “(i) any boat, snowmobile, or airplane  
 19 used for recreational purposes;

20 “(ii) any vacation home;

21 “(iii) any mobile home used primarily  
 22 for vacation purposes;

23 “(iv) subject to subparagraph (C), any  
 24 licensed vehicle that is used for household  
 25 transportation or to obtain or continue em-

ployment to the extent that the fair market value of the vehicle exceeds \$4,600; and

“(v) any savings or retirement account (including an individual account), regardless of whether there is a penalty for early withdrawal.

“(C) EXCLUDED VEHICLES.—A vehicle (and any other property, real or personal, to the extent the property is directly related to the maintenance or use of the vehicle) shall not be included in financial resources under this paragraph if the vehicle is—

“(i) used to produce earned income;

“(ii) necessary for the transportation of a physically disabled household member; or

“(iii) depended on by a household to carry fuel for heating or water for home use and provides the primary source of fuel or water, respectively, for the household.”.

**SEC. 1022. VENDOR PAYMENTS FOR TRANSITIONAL HOUSING COUNTED AS INCOME.**

Section 5(k)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(k)(2)) is amended—

(1) by striking subparagraph (F); and

1           (2) by redesignating subparagraphs (G) and  
2           (H) as subparagraphs (F) and (G), respectively.

3 **SEC. 1023. DOUBLED PENALTIES FOR VIOLATING FOOD**  
4 **STAMP PROGRAM REQUIREMENTS.**

5           Section 6(b)(1) of the Food Stamp Act of 1977 (7  
6 U.S.C. 2015(b)(1)) is amended—

7           (1) in clause (i), by striking “six months” and  
8           inserting “1 year”; and

9           (2) in clause (ii), by striking “1 year” and in-  
10          serting “2 years”.

11 **SEC. 1024. DISQUALIFICATION OF CONVICTED INDIVID-**  
12 **UALS.**

13          Section 6(b)(1)(iii) of the Food Stamp Act of 1977  
14 (7 U.S.C. 2015(b)(1)(iii)) is amended—

15          (1) in subclause (II), by striking “or” at the  
16          end;

17          (2) in subclause (III), by striking the period at  
18          the end and inserting “; or”; and

19          (3) by inserting after subclause (III) the follow-  
20          ing:

21                 “(IV) a conviction of an offense under sub-  
22                 section (b) or (c) of section 15 involving an  
23                 item covered by subsection (b) or (c) of section  
24                 15 having a value of \$500 or more.”.

1 **SEC. 1025. DISQUALIFICATION.**

2 (a) IN GENERAL.—Section 6(d) of the Food Stamp  
3 Act of 1977 (7 U.S.C. 2015(d)) is amended by striking  
4 “(d)(1) Unless otherwise exempted by the provisions” and  
5 all that follows through the end of paragraph (1) and in-  
6 serting the following:

7 “(d) CONDITIONS OF PARTICIPATION.—

8 “(1) WORK REQUIREMENTS.—

9 “(A) IN GENERAL.—No physically and  
10 mentally fit individual over the age of 15 and  
11 under the age of 60 shall be eligible to partici-  
12 pate in the food stamp program if the individ-  
13 ual—

14 “(i) refuses, at the time of application  
15 and every 12 months thereafter, to register  
16 for employment in a manner prescribed by  
17 the Secretary;

18 “(ii) refuses without good cause to  
19 participate in an employment and training  
20 program under paragraph (4), to the ex-  
21 tent required by the State agency;

22 “(iii) refuses without good cause to  
23 accept an offer of employment, at a site or  
24 plant not subject to a strike or lockout at  
25 the time of the refusal, at a wage not less  
26 than the higher of—

1                   “(I) the applicable Federal or  
2                   State minimum wage; or

3                   “(II) 80 percent of the wage that  
4                   would have governed had the mini-  
5                   mum hourly rate under section  
6                   6(a)(1) of the Fair Labor Standards  
7                   Act of 1938 (29 U.S.C. 206(a)(1))  
8                   been applicable to the offer of employ-  
9                   ment;

10                  “(iv) refuses without good cause to  
11                  provide a State agency with sufficient in-  
12                  formation to allow the State agency to de-  
13                  termine the employment status or the job  
14                  availability of the individual;

15                  “(v) voluntarily and without good  
16                  cause—

17                         “(I) quits a job; or

18                         “(II) reduces work effort and,  
19                         after the reduction, the individual is  
20                         working less than 30 hours per week;  
21                         or

22                         “(vi) fails to comply with section 20.

23                  “(B) HOUSEHOLD INELIGIBILITY.—If an  
24                  individual who is the head of a household be-  
25                  comes ineligible to participate in the food stamp

1 program under subparagraph (A), the house-  
2 hold shall, at the option of the State agency,  
3 become ineligible to participate in the food  
4 stamp program for a period, determined by the  
5 State agency, that does not exceed the lesser  
6 of—

7 “(i) the duration of the ineligibility of  
8 the individual determined under subpara-  
9 graph (C); or

10 “(ii) 180 days.

11 “(C) DURATION OF INELIGIBILITY.—

12 “(i) FIRST VIOLATION.—The first  
13 time that an individual becomes ineligible  
14 to participate in the food stamp program  
15 under subparagraph (A), the individual  
16 shall remain ineligible until the later of—

17 “(I) the date the individual be-  
18 comes eligible under subparagraph  
19 (A);

20 “(II) the date that is 1 month  
21 after the date the individual became  
22 ineligible; or

23 “(III) a date determined by the  
24 State agency that is not later than 3



1 months after the date the individual  
2 became ineligible.

3 “(ii) SECOND VIOLATION.—The sec-  
4 ond time that an individual becomes ineli-  
5 gible to participate in the food stamp pro-  
6 gram under subparagraph (A), the individ-  
7 ual shall remain ineligible until the later  
8 of—

9 “(I) the date the individual be-  
10 comes eligible under subparagraph  
11 (A);

12 “(II) the date that is 3 months  
13 after the date the individual became  
14 ineligible; or

15 “(III) a date determined by the  
16 State agency that is not later than 6  
17 months after the date the individual  
18 became ineligible.

19 “(iii) THIRD OR SUBSEQUENT VIOLA-  
20 TION.—The third or subsequent time that  
21 an individual becomes ineligible to partici-  
22 pate in the food stamp program under sub-  
23 paragraph (A), the individual shall remain  
24 ineligible until the later of—

1           “(I) the date the individual be-  
2 comes eligible under subparagraph  
3 (A);

4           “(II) the date that is 6 months  
5 after the date the individual became  
6 ineligible;

7           “(III) a date determined by the  
8 State agency; or

9           “(IV) at the option of the State  
10 agency, permanently.

11       “(D) ADMINISTRATION.—

12           “(i) GOOD CAUSE.—The Secretary  
13 shall determine the meaning of good cause  
14 for the purpose of this paragraph.

15           “(ii) VOLUNTARY QUIT.—The Sec-  
16 retary shall determine the meaning of vol-  
17 untarily quitting and reducing work effort  
18 for the purpose of this paragraph.

19           “(iii) DETERMINATION BY STATE  
20 AGENCY.—

21           “(I) IN GENERAL.—Subject to  
22 subclause (II) and clauses (i) and (ii),  
23 a State agency shall determine—

24           “(aa) the meaning of any  
25 term in subparagraph (A);

1                   “(bb) the procedures for de-  
2                   termining whether an individual  
3                   is in compliance with a require-  
4                   ment under subparagraph (A);  
5                   and

6                   “(cc) whether an individual  
7                   is in compliance with a require-  
8                   ment under subparagraph (A).

9                   “(II) NOT LESS RESTRICTIVE.—  
10                  A State agency may not determine a  
11                  meaning, procedure, or determination  
12                  under subclause (I) to be less restric-  
13                  tive than a comparable meaning, pro-  
14                  cedure, or determination under a  
15                  State program funded under part A of  
16                  title IV of the Social Security Act (42  
17                  U.S.C. 601 et seq.).

18                  “(iv) STRIKE AGAINST THE GOVERN-  
19                  MENT.—For the purpose of subparagraph  
20                  (A)(v), an employee of the Federal Govern-  
21                  ment, a State, or a political subdivision of  
22                  a State, who is dismissed for participating  
23                  in a strike against the Federal Govern-  
24                  ment, the State, or the political subdivision

1 of the State shall be considered to have  
2 voluntarily quit without good cause.

3 “(v) SELECTING A HEAD OF HOUSE-  
4 HOLD.—

5 “(I) IN GENERAL.—For the pur-  
6 pose of this paragraph, the State  
7 agency shall allow the household to se-  
8 lect any adult parent of a child in the  
9 household as the head of the house-  
10 hold if all adult household members  
11 making application under the food  
12 stamp program agree to the selection.

13 “(II) TIME FOR MAKING DES-  
14 IGNATION.—A household may des-  
15 ignate the head of the household  
16 under subclause (I) each time the  
17 household is certified for participation  
18 in the food stamp program, but may  
19 not change the designation during a  
20 certification period unless there is a  
21 change in the composition of the  
22 household.

23 “(vi) CHANGE IN HEAD OF HOUSE-  
24 HOLD.—If the head of a household leaves  
25 the household during a period in which the

1 household is ineligible to participate in the  
 2 food stamp program under subparagraph  
 3 (B)—

4 “(I) the household shall, if other-  
 5 wise eligible, become eligible to par-  
 6 ticipate in the food stamp program;  
 7 and

8 “(II) if the head of the household  
 9 becomes the head of another house-  
 10 hold, the household that becomes  
 11 headed by the individual shall become  
 12 ineligible to participate in the food  
 13 stamp program for the remaining pe-  
 14 riod of ineligibility.”.

15 (b) CONFORMING AMENDMENT.—

16 (1) The second sentence of section 17(b)(2) of  
 17 the Act (7 U.S.C. 2026(b)(2)) is amended by strik-  
 18 ing “6(d)(1)(i)” and inserting “6(d)(1)(A)(i)”.

19 (2) Section 20 of the Act (7 U.S.C. 2029) is  
 20 amended by striking subsection (f) and inserting the  
 21 following:

22 “(f) DISQUALIFICATION.—An individual or a house-  
 23 hold may become ineligible under section 6(d)(1) to par-  
 24 ticipate in the food stamp program for failing to comply  
 25 with this section.”.

1 **SEC. 1026. CARETAKER EXEMPTION.**

2 Section 6(d)(2) of the Food Stamp Act of 1977 (7  
3 U.S.C. 2015(d)(2)) is amended by striking subparagraph  
4 (B) and inserting the following: “(B) a parent or other  
5 member of a household with responsibility for the care of  
6 (i) a dependent child under the age of 6 or any lower age  
7 designated by the State agency that is not under the age  
8 of 1, or (ii) an incapacitated person;”.

9 **SEC. 1027. EMPLOYMENT AND TRAINING.**

10 (a) IN GENERAL.—Section 6(d)(4) of the Food  
11 Stamp Act of 1977 (7 U.S.C. 2015(d)(4)) is amended—

12 (1) in subparagraph (A)—

13 (A) by striking “Not later than April 1,  
14 1987, each” and inserting “Each”;

15 (B) by inserting “work,” after “skills,  
16 training,”; and

17 (C) by adding at the end the following:  
18 “Each component of an employment and train-  
19 ing program carried out under this paragraph  
20 shall be delivered through a statewide workforce  
21 development system, unless the component is  
22 not available locally through the statewide  
23 workforce development system.”;

24 (2) in subparagraph (B)—

25 (A) in the matter preceding clause (i), by  
26 striking the colon at the end and inserting the

1 following: “, except that the State agency shall  
2 retain the option to apply employment require-  
3 ments prescribed under this subparagraph to a  
4 program applicant at the time of application.”;

5 (B) in clause (i), by striking “with terms  
6 and conditions” and all that follows through  
7 “time of application”; and

8 (C) in clause (iv)—

9 (i) by striking subclauses (I) and (II);  
10 and

11 (ii) by redesignating subclauses (III)  
12 and (IV) as subclauses (I) and (II), respec-  
13 tively;

14 (3) in subparagraph (D)—

15 (A) in clause (i), by striking “to which the  
16 application” and all that follows through “30  
17 days or less”;

18 (B) in clause (ii), by striking “but with re-  
19 spect” and all that follows through “child  
20 care”; and

21 (C) in clause (iii), by striking “, on the  
22 basis of” and all that follows through “clause  
23 (ii)” and inserting “the exemption continues to  
24 be valid”;

1           (4) in subparagraph (E), by striking the third  
2 sentence;

3           (5) in subparagraph (G)—

4                (A) by striking “(G)(i) The State” and in-  
5 sserting “(G) The State”; and

6                (B) by striking clause (ii);

7           (6) in subparagraph (H), by striking “(H)(i)  
8 The Secretary” and all that follows through “(ii)  
9 Federal funds” and inserting “(H) Federal funds”;

10          (7) in subparagraph (I)(i)(II), by striking “, or  
11 was in operation,” and all that follows through “So-  
12 cial Security Act” and inserting the following: “),  
13 except that no such payment or reimbursement shall  
14 exceed the applicable local market rate”;

15          (8)(A) by striking subparagraphs (K) and (L)  
16 and inserting the following:

17               “(K) LIMITATION ON FUNDING.—Notwith-  
18 standing any other provision of this paragraph,  
19 the amount of funds a State agency uses to  
20 carry out this paragraph (including under sub-  
21 paragraph (I)) for participants who are receiv-  
22 ing benefits under a State program funded  
23 under part A of title IV of the Social Security  
24 Act (42 U.S.C. 601 et seq.) shall not exceed the  
25 amount of funds the State agency used in fiscal



1           year 1995 to carry out this paragraph for par-  
 2           ticipants who were receiving benefits in fiscal  
 3           year 1995 under a State program funded under  
 4           part A of title IV of the Act (42 U.S.C. 601 et  
 5           seq.).”; and

6           (B) by redesignating subparagraphs (M) and  
 7           (N) as subparagraphs (L) and (M), respectively; and  
 8           (9) in subparagraph (L), as redesignated by  
 9           paragraph (8)(B)—

10                   (A) by striking “(L)(i) The Secretary” and  
 11                   inserting “(L) The Secretary”; and

12                   (B) by striking clause (ii).

13           (b) FUNDING.—Section 16(h) of the Act (7 U.S.C.  
 14   2025(h)) is amended by striking “(h)(1)(A) The Sec-  
 15   retary” and all that follows through the end of paragraph  
 16   (1) and inserting the following:

17           “(h) FUNDING OF EMPLOYMENT AND TRAINING  
 18   PROGRAMS.—

19                   “(1) IN GENERAL.—

20                           “(A) AMOUNTS.—To carry out employ-  
 21                           ment and training programs, the Secretary  
 22                           shall reserve for allocation to State agencies  
 23                           from funds made available for each fiscal year  
 24                           under section 18(a)(1) the amount of—

25                                   “(i) for fiscal year 1996, \$75,000,000;

1 “(ii) for fiscal year 1997,  
2 \$79,000,000;

3 “(iii) for fiscal year 1998,  
4 \$81,000,000;

5 “(iv) for fiscal year 1999,  
6 \$84,000,000;

7 “(v) for fiscal year 2000,  
8 \$86,000,000;

9 “(vi) for fiscal year 2001,  
10 \$88,000,000; and

11 “(vii) for fiscal year 2002,  
12 \$90,000,000.

13 “(B) ALLOCATION.—The Secretary shall  
14 allocate the amounts reserved under subpara-  
15 graph (A) among the State agencies using a  
16 reasonable formula (as determined by the Sec-  
17 retary) that gives consideration to the popu-  
18 lation in each State affected by section 6(o).

19 “(C) REALLOCATION.—

20 “(i) NOTIFICATION.—A State agency  
21 shall promptly notify the Secretary if the  
22 State agency determines that the State  
23 agency will not expend all of the funds al-  
24 located to the State agency under subpara-  
25 graph (B).

1                   “(ii) REALLOCATION.—On notification  
 2                   under clause (i), the Secretary shall reallo-  
 3                   cate the funds that the State agency will  
 4                   not expend as the Secretary considers ap-  
 5                   propriate and equitable.

6                   “(D) MINIMUM ALLOCATION.—Notwith-  
 7                   standing subparagraphs (A) through (C), the  
 8                   Secretary shall ensure that each State agency  
 9                   operating an employment and training program  
 10                  shall receive not less than \$50,000 in each fis-  
 11                  cal year.”.

12           (c) ADDITIONAL MATCHING FUNDS.—Section  
 13 16(h)(2) of the Act (7 U.S.C. 2025(h)(2)) is amended by  
 14 inserting before the period at the end the following: “, in-  
 15 cluding the costs for case management and casework to  
 16 facilitate the transition from economic dependency to self-  
 17 sufficiency through work”.

18           (d) REPORTS.—Section 16(h) of the Act (7 U.S.C.  
 19 2025(h)) is amended—

20                   (1) in paragraph (5)—

21                           (A) by striking “(5)(A) The Secretary”  
 22                           and inserting “(5) The Secretary”; and

23                           (B) by striking subparagraph (B); and

24                   (2) by striking paragraph (6).

1 **SEC. 1028. COMPARABLE TREATMENT FOR DISQUALIFICA-**  
 2 **TION.**

3 (a) IN GENERAL.—Section 6 of the Food Stamp Act  
 4 of 1977 (7 U.S.C. 2015) is amended—

5 (1) by redesignating subsection (i), as added by  
 6 section 107, as subsection (p); and

7 (2) by inserting after subsection (h) the follow-  
 8 ing:

9 “(i) COMPARABLE TREATMENT FOR DISQUALIFICA-  
 10 TION.—

11 “(1) IN GENERAL.—If a disqualification is im-  
 12 posed on a member of a household for a failure of  
 13 the member to perform an action required under a  
 14 Federal, State, or local law relating to a means-test-  
 15 ed public assistance program, the State agency may  
 16 impose the same disqualification on the member of  
 17 the household under the food stamp program.

18 “(2) RULES AND PROCEDURES.—If a disquali-  
 19 fication is imposed under paragraph (1) for a failure  
 20 of an individual to perform an action required under  
 21 part A of title IV of the Social Security Act (42  
 22 U.S.C. 601 et seq.), the State agency may use the  
 23 rules and procedures that apply under part A of title  
 24 IV of the Act to impose the same disqualification  
 25 under the food stamp program.

1           “(3) APPLICATION AFTER DISQUALIFICATION  
 2           PERIOD.—A member of a household disqualified  
 3           under paragraph (1) may, after the disqualification  
 4           period has expired, apply for benefits under this Act  
 5           and shall be treated as a new applicant, except that  
 6           a prior disqualification under subsection (d) shall be  
 7           considered in determining eligibility.”.

8           (b) STATE PLAN PROVISIONS.—Section 11(e) of the  
 9           Act (7 U.S.C. 2020(e)) is amended—

10           (1) in paragraph (24), by striking “and” at the  
 11           end;

12           (2) in paragraph (25), by striking the period at  
 13           the end and inserting a semicolon; and

14           (3) by adding at the end the following:

15           “(26) the guidelines the State agency uses in  
 16           carrying out section 6(i); and”.

17           (c) CONFORMING AMENDMENT.—Section 6(d)(2)(A)  
 18           of the Act (7 U.S.C. 2015(d)(2)(A)) is amended by strik-  
 19           ing “that is comparable to a requirement of paragraph  
 20           (1)”.

21           **SEC. 1029. DISQUALIFICATION FOR RECEIPT OF MULTIPLE**  
 22           **FOOD STAMP BENEFITS.**

23           Section 6 of the Food Stamp Act of 1977 (7 U.S.C.  
 24           2015), as amended by section 1028, is further amended  
 25           by inserting after subsection (i) the following:

1       “(j) DISQUALIFICATION FOR RECEIPT OF MULTIPLE  
2 FOOD STAMP BENEFITS.—An individual shall be ineligible  
3 to participate in the food stamp program as a member  
4 of any household for a 10-year period if the individual is  
5 found by a State agency to have made, or is convicted  
6 in a Federal or State court of having made, a fraudulent  
7 statement or representation with respect to the identity  
8 or place of residence of the individual in order to receive  
9 multiple benefits simultaneously under the food stamp  
10 program.”.

11 **SEC. 1030. DISQUALIFICATION OF FLEEING FELONS.**

12       Section 6 of the Food Stamp Act of 1977 (7 U.S.C.  
13 2015), as amended by section 1029, is further amended  
14 by inserting after subsection (j) the following:

15       “(k) DISQUALIFICATION OF FLEEING FELONS.—No  
16 member of a household who is otherwise eligible to partici-  
17 pate in the food stamp program shall be eligible to partici-  
18 pate in the program as a member of that or any other  
19 household during any period during which the individual  
20 is—

21               “(1) fleeing to avoid prosecution, or custody or  
22 confinement after conviction, under the law of the  
23 place from which the individual is fleeing, for a  
24 crime, or attempt to commit a crime, that is a felony  
25 under the law of the place from which the individual

1 is fleeing or that, in the case of New Jersey, is a  
 2 high misdemeanor under the law of New Jersey; or  
 3 “(2) violating a condition of probation or parole  
 4 imposed under a Federal or State law.”.

5 **SEC. 1031. COOPERATION WITH CHILD SUPPORT AGENCIES.**

6 Section 6 of the Food Stamp Act of 1977 (7 U.S.C.  
 7 2015), as amended by section 1030, is further amended  
 8 by inserting after subsection (k) the following:

9 “(l) CUSTODIAL PARENT’S COOPERATION WITH  
 10 CHILD SUPPORT AGENCIES.—

11 “(1) IN GENERAL.—At the option of a State  
 12 agency, subject to paragraphs (2) and (3), no natu-  
 13 ral or adoptive parent or other individual (collec-  
 14 tively referred to in this subsection as ‘the individ-  
 15 ual’) who is living with and exercising parental con-  
 16 trol over a child under the age of 18 who has an ab-  
 17 sent parent shall be eligible to participate in the food  
 18 stamp program unless the individual cooperates with  
 19 the State agency administering the program estab-  
 20 lished under part D of title IV of the Social Security  
 21 Act (42 U.S.C. 651 et seq.)—

22 “(A) in establishing the paternity of the  
 23 child (if the child is born out of wedlock); and

24 “(B) in obtaining support for—

25 “(i) the child; or

1 “(ii) the individual and the child.

2 “(2) GOOD CAUSE FOR NONCOOPERATION.—

3 Paragraph (1) shall not apply to the individual if  
4 good cause is found for refusing to cooperate, as de-  
5 termined by the State agency in accordance with  
6 standards prescribed by the Secretary in consulta-  
7 tion with the Secretary of Health and Human Serv-  
8 ices. The standards shall take into consideration cir-  
9 cumstances under which cooperation may be against  
10 the best interests of the child.

11 “(3) FEES.—Paragraph (1) shall not require  
12 the payment of a fee or other cost for services pro-  
13 vided under part D of title IV of the Social Security  
14 Act (42 U.S.C. 651 et seq.).

15 “(m) NON-CUSTODIAL PARENT’S COOPERATION  
16 WITH CHILD SUPPORT AGENCIES.—

17 “(1) IN GENERAL.—At the option of a State  
18 agency, subject to paragraphs (2) and (3), a puta-  
19 tive or identified non-custodial parent of a child  
20 under the age of 18 (referred to in this subsection  
21 as ‘the individual’) shall not be eligible to participate  
22 in the food stamp program if the individual refuses  
23 to cooperate with the State agency administering the  
24 program established under part D of title IV of the  
25 Social Security Act (42 U.S.C. 651 et seq.)—



1           “(A) in establishing the paternity of the  
2           child (if the child is born out of wedlock); and

3           “(B) in providing support for the child.

4           “(2) REFUSAL TO COOPERATE.—

5           “(A) GUIDELINES.—The Secretary, in con-  
6           sultation with the Secretary of Health and  
7           Human Services, shall develop guidelines on  
8           what constitutes a refusal to cooperate under  
9           paragraph (1).

10          “(B) PROCEDURES.—The State agency  
11          shall develop procedures, using guidelines devel-  
12          oped under subparagraph (A), for determining  
13          whether an individual is refusing to cooperate  
14          under paragraph (1).

15          “(3) FEES.—Paragraph (1) shall not require  
16          the payment of a fee or other cost for services pro-  
17          vided under part D of title IV of the Social Security  
18          Act (42 U.S.C. 651 et seq.).

19          “(4) PRIVACY.—The State agency shall provide  
20          safeguards to restrict the use of information col-  
21          lected by a State agency administering the program  
22          established under part D of title IV of the Social Se-  
23          curity Act (42 U.S.C. 651 et seq.) to purposes for  
24          which the information is collected.”.

1 **SEC. 1032. DISQUALIFICATION RELATING TO CHILD SUP-**  
2 **PORT ARREARS.**

3 Section 6 of the Food Stamp Act of 1977 (7 U.S.C.  
4 2015), as amended by section 1031, is further amended  
5 by inserting after subsection (m) the following:

6 “(n) DISQUALIFICATION FOR CHILD SUPPORT AR-  
7 REARS.—

8 “(1) IN GENERAL.—At the option of the State  
9 agency, no individual shall be eligible to participate  
10 in the food stamp program as a member of any  
11 household during any month that the individual is  
12 delinquent in any payment due under a court order  
13 for the support of a child of the individual.

14 “(2) EXCEPTIONS.—Paragraph (1) shall not  
15 apply if—

16 “(A) a court is allowing the individual to  
17 delay payment; or

18 “(B) the individual is complying with a  
19 payment plan approved by a court or the State  
20 agency designated under part D of title IV of  
21 the Social Security Act (42 U.S.C. 651 et seq.)  
22 to provide support for the child of the individ-  
23 ual.”.

24 **SEC. 1033. WORK REQUIREMENT.**

25 (a) IN GENERAL.—Section 6 of the Food Stamp Act  
26 of 1977 (7 U.S.C. 2015), as amended by section 1032,

1 is further amended by inserting after subsection (n) the  
2 following:

3 “(o) WORK REQUIREMENT.—

4 “(1) DEFINITION OF WORK PROGRAM.—In this  
5 subsection, the term ‘work program’ means—

6 “(A) a program under the Job Training  
7 Partnership Act (29 U.S.C. 1501 et seq.);

8 “(B) a program under section 236 of the  
9 Trade Act of 1974 (19 U.S.C. 2296); or

10 “(C) a program of employment or training  
11 operated or supervised by a State or political  
12 subdivision of a State that meets standards ap-  
13 proved by the Governor of the State, including  
14 a program under section 6(d)(4), other than a  
15 job search program or a job search training  
16 program.

17 “(2) WORK REQUIREMENT.—Subject to the  
18 other provisions of this subsection, no individual  
19 shall be eligible to participate in the food stamp pro-  
20 gram as a member of any household if, during the  
21 preceding 12-month period, the individual received  
22 food stamp benefits for not less than 4 months dur-  
23 ing which the individual did not—

24 “(A) work 20 hours or more per week,  
25 averaged monthly; or

1           “(B) participate in and comply with the re-  
2           quirements of a work program for 20 hours or  
3           more per week, as determined by the State  
4           agency; or

5           “(C) participate in a program under sec-  
6           tion 20 or a comparable program established by  
7           a State or political subdivision of a State.

8           “(3) EXCEPTION.—Paragraph (2) shall not  
9           apply to an individual if the individual is—

10           “(A) under 18 or over 50 years of age;

11           “(B) medically certified as physically or  
12           mentally unfit for employment;

13           “(C) a parent or other member of a house-  
14           hold with responsibility for a dependent child;

15           “(D) otherwise exempt under section  
16           6(d)(2); or

17           “(E) a pregnant woman.

18           “(4) WAIVER.—

19           “(A) IN GENERAL.—On the request of a  
20           State agency, the Secretary may waive the ap-  
21           plicability of paragraph (2) to any group of in-  
22           dividuals in the State if the Secretary makes a  
23           determination that the area in which the indi-  
24           viduals reside—

1 “(i) has an unemployment rate of over  
2 10 percent; or

3 “(ii) does not have a sufficient num-  
4 ber of jobs to provide employment for the  
5 individuals.

6 “(B) REPORT.—The Secretary shall report  
7 the basis for a waiver under subparagraph (A)  
8 to the Committee on Agriculture of the House  
9 of Representatives and the Committee on Agri-  
10 culture, Nutrition, and Forestry of the Senate.

11 “(5) SUBSEQUENT ELIGIBILITY.—

12 “(A) IN GENERAL.—Paragraph (2) shall  
13 cease to apply to an individual if, during a 30-  
14 day period, the individual—

15 “(i) works 80 or more hours;

16 “(ii) participates in and complies with  
17 the requirements of a work program for 80  
18 or more hours, as determined by a State  
19 agency; or

20 “(iii) participates in a program under  
21 section 20 or a comparable program estab-  
22 lished by a State or political subdivision of  
23 a State.

24 “(B) LIMITATION.—During the subsequent  
25 12-month period, the individual shall be eligible

1 to participate in the food stamp program for  
2 not more than 4 months during which the indi-  
3 vidual does not—

4 “(i) work 20 hours or more per week,  
5 averaged monthly;

6 “(ii) participate in and comply with  
7 the requirements of a work program for 20  
8 hours or more per week, as determined by  
9 the State agency; or

10 “(iii) participate in a program under  
11 section 20 or a comparable program estab-  
12 lished by a State or political subdivision of  
13 a State.”.

14 (b) TRANSITION PROVISION.—Prior to 1 year after  
15 the date of enactment of this Act, the term “preceding  
16 12-month period” in section 6(o) of the Food Stamp Act  
17 of 1977, as amended by subsection (a), means the preced-  
18 ing period that begins on the date of enactment of this  
19 Act.

20 **SEC. 1034. ENCOURAGE ELECTRONIC BENEFIT TRANSFER**  
21 **SYSTEMS.**

22 (a) IN GENERAL.—Section 7(i) of the Food Stamp  
23 Act of 1977 (7 U.S.C. 2016(i)) is amended—

24 (1) by striking paragraph (1) and inserting the  
25 following:

1 “(1) ELECTRONIC BENEFIT TRANSFERS.—

2 “(A) IMPLEMENTATION.—Each State  
3 agency shall implement an electronic benefit  
4 transfer system in which household benefits de-  
5 termined under section 8(a) or 24 are issued  
6 from and stored in a central databank before  
7 October 1, 2002, unless the Secretary provides  
8 a waiver for a State agency that faces unusual  
9 barriers to implementing an electronic benefit  
10 transfer system.

11 “(B) TIMELY IMPLEMENTATION.—State  
12 agencies are encouraged to implement an elec-  
13 tronic benefit transfer system under subpara-  
14 graph (A) as soon as practicable.

15 “(C) STATE FLEXIBILITY.—Subject to  
16 paragraph (2), a State agency may procure and  
17 implement an electronic benefit transfer system  
18 under the terms, conditions, and design that  
19 the State agency considers appropriate.

20 “(D) OPERATION.—An electronic benefit  
21 transfer system should take into account gen-  
22 erally accepted standard operating rules based  
23 on—

24 “(i) commercial electronic funds  
25 transfer technology;

1 “(ii) the need to permit interstate op-  
2 eration and law enforcement monitoring;  
3 and

4 “(iii) the need to permit monitoring  
5 and investigations by authorized law en-  
6 forcement agencies.”;

7 (2) in paragraph (2)—

8 (A) by striking “effective no later than  
9 April 1, 1992,”;

10 (B) in subparagraph (A)—

11 (i) by striking “, in any 1 year,”; and

12 (ii) by striking “on-line”;

13 (C) by striking subparagraph (D) and in-  
14 serting the following:

15 “(D)(i) measures to maximize the security  
16 of a system using the most recent technology  
17 available that the State agency considers appro-  
18 priate and cost effective and which may include  
19 personal identification numbers, photographic  
20 identification on electronic benefit transfer  
21 cards, and other measures to protect against  
22 fraud and abuse; and

23 “(ii) effective not later than 2 years after  
24 the effective date of this clause, to the extent  
25 practicable, measures that permit a system to



1 differentiate items of food that may be acquired  
 2 with an allotment from items of food that may  
 3 not be acquired with an allotment.”;

4 (D) in subparagraph (G), by striking  
 5 “and” at the end;

6 (E) in subparagraph (H), by striking the  
 7 period at the end and inserting “; and”; and

8 (F) by adding at the end the following:

9 “(I) procurement standards.”; and

10 (3) by adding at the end the following:

11 “(7) REPLACEMENT OF BENEFITS.—Regula-  
 12 tions issued by the Secretary regarding the replace-  
 13 ment of benefits and liability for replacement of ben-  
 14 efits under an electronic benefit transfer system  
 15 shall be similar to the regulations in effect for a  
 16 paper food stamp issuance system.

17 “(8) REPLACEMENT CARD FEE.—A State agen-  
 18 cy may collect a charge for replacement of an elec-  
 19 tronic benefit transfer card by reducing the monthly  
 20 allotment of the household receiving the replacement  
 21 card.

22 “(9) OPTIONAL PHOTOGRAPHIC IDENTIFICA-  
 23 TION.—

24 “(A) IN GENERAL.—A State agency may  
 25 require that an electronic benefit card contain

1 a photograph of 1 or more members of a house-  
2 hold.

3 “(B) OTHER AUTHORIZED USERS.—If a  
4 State agency requires a photograph on an elec-  
5 tronic benefit card under subparagraph (A), the  
6 State agency shall establish procedures to en-  
7 sure that any other appropriate member of the  
8 household or any authorized representative of  
9 the household may utilize the card.”.

10 (b) SENSE OF CONGRESS.—It is the sense of Con-  
11 gress that a State that operates an electronic benefit  
12 transfer system under the Food Stamp Act of 1977 (7  
13 U.S.C. 2011 et seq.) should operate the system in a man-  
14 ner that is compatible with electronic benefit transfer sys-  
15 tems operated by other States.

16 **SEC. 1035. VALUE OF MINIMUM ALLOTMENT.**

17 The proviso in section 8(a) of the Food Stamp Act  
18 of 1977 (7 U.S.C. 2017(a)) is amended by striking “, and  
19 shall be adjusted” and all that follows through “\$5”.

20 **SEC. 1036. BENEFITS ON RECERTIFICATION.**

21 Section 8(c)(2)(B) of the Food Stamp Act of 1977  
22 (7 U.S.C. 2017(c)(2)(B)) is amended by striking “of more  
23 than one month”.

1 **SEC. 1037. OPTIONAL COMBINED ALLOTMENT FOR EXPE-**  
2 **DITED HOUSEHOLDS.**

3 Section 8(c) of the Food Stamp Act of 1977 (7  
4 U.S.C. 2017(c)) is amended by striking paragraph (3) and  
5 inserting the following:

6 “(3) OPTIONAL COMBINED ALLOTMENT FOR  
7 EXPEDITED HOUSEHOLDS.—A State agency may  
8 provide to an eligible household applying after the  
9 15th day of a month, in lieu of the initial allotment  
10 of the household and the regular allotment of the  
11 household for the following month, an allotment that  
12 is equal to the total amount of the initial allotment  
13 and the first regular allotment. The allotment shall  
14 be provided in accordance with section 11(e)(3) in  
15 the case of a household that is not entitled to expe-  
16 dited service and in accordance with paragraphs (3)  
17 and (9) of section 11(e) in the case of a household  
18 that is entitled to expedited service.”.

19 **SEC. 1038. FAILURE TO COMPLY WITH OTHER MEANS-TEST-**  
20 **ED PUBLIC ASSISTANCE PROGRAMS.**

21 Section 8 of the Food Stamp Act of 1977 (7 U.S.C.  
22 2017) is amended by striking subsection (d) and inserting  
23 the following:

24 “(d) REDUCTION OF PUBLIC ASSISTANCE BENE-  
25 FITS.—

1           “(1) IN GENERAL.—If the benefits of a house-  
 2           hold are reduced under a Federal, State, or local law  
 3           relating to a means-tested public assistance program  
 4           for the failure of a member of the household to per-  
 5           form an action required under the law or program,  
 6           for the duration of the reduction—

7                   “(A) the household may not receive an in-  
 8                   creased allotment as the result of a decrease in  
 9                   the income of the household to the extent that  
 10                  the decrease is the result of the reduction; and

11                  “(B) the State agency may reduce the al-  
 12                  lotment of the household by not more than 25  
 13                  percent.

14           “(2) RULES AND PROCEDURES.—If the allot-  
 15           ment of a household is reduced under this subsection  
 16           for a failure to perform an action required under  
 17           part A of title IV of the Social Security Act (42  
 18           U.S.C. 601 et seq.), the State agency may use the  
 19           rules and procedures that apply under part A of title  
 20           IV of the Act to reduce the allotment under the food  
 21           stamp program.”.

22 **SEC. 1039. ALLOTMENTS FOR HOUSEHOLDS RESIDING IN**  
 23 **CENTERS.**

24           Section 8 of the Food Stamp Act of 1977 (7 U.S.C.  
 25           2017) is amended by adding at the end the following:

1       “(f) ALLOTMENTS FOR HOUSEHOLDS RESIDING IN  
2 CENTERS.—

3               “(1) IN GENERAL.—In the case of an individual  
4 who resides in a center for the purpose of a drug or  
5 alcoholic treatment program described in the last  
6 sentence of section 3(i), a State agency may provide  
7 an allotment for the individual to—

8               “(A) the center as an authorized represent-  
9 ative of the individual for a period that is less  
10 than 1 month; and

11              “(B) the individual, if the individual leaves  
12 the center.

13              “(2) DIRECT PAYMENT.—A State agency may  
14 require an individual referred to in paragraph (1) to  
15 designate the center in which the individual resides  
16 as the authorized representative of the individual for  
17 the purpose of receiving an allotment.”.

18 **SEC. 1040. CONDITION PRECEDENT FOR APPROVAL OF RE-**  
19 **TAIL FOOD STORES AND WHOLESALE FOOD**  
20 **CONCERNS.**

21       Section 9(a)(1) of the Food Stamp Act of 1977 (7  
22 U.S.C. 2018(a)(1)) is amended by adding at the end the  
23 following: “No retail food store or wholesale food concern  
24 of a type determined by the Secretary, based on factors  
25 that include size, location, and type of items sold, shall

1 be approved to be authorized or reauthorized for partici-  
 2 tion in the food stamp program unless an authorized em-  
 3 ployee of the Department of Agriculture, a designee of the  
 4 Secretary, or, if practicable, an official of the State or local  
 5 government designated by the Secretary has visited the  
 6 store or concern for the purpose of determining whether  
 7 the store or concern should be approved or reauthorized,  
 8 as appropriate.”.

9 **SEC. 1041. AUTHORITY TO ESTABLISH AUTHORIZATION PE-**  
 10 **RIODS.**

11 Section 9(a) of the Food Stamp Act of 1977 (7  
 12 U.S.C. 2018(a)) is amended by adding at the end the fol-  
 13 lowing:

14 “(3) AUTHORIZATION PERIODS.—The Secretary  
 15 shall establish specific time periods during which au-  
 16 thorization to accept and redeem coupons, or to re-  
 17 deem benefits through an electronic benefit transfer  
 18 system, shall be valid under the food stamp pro-  
 19 gram.”.

20 **SEC. 1042. INFORMATION FOR VERIFYING ELIGIBILITY FOR**  
 21 **AUTHORIZATION.**

22 Section 9(c) of the Food Stamp Act of 1977 (7  
 23 U.S.C. 2018(c)) is amended—

1           (1) in the first sentence, by inserting “, which  
2           may include relevant income and sales tax filing doc-  
3           uments,” after “submit information”; and

4           (2) by inserting after the first sentence the fol-  
5           lowing: “The regulations may require retail food  
6           stores and wholesale food concerns to provide writ-  
7           ten authorization for the Secretary to verify all rel-  
8           evant tax filings with appropriate agencies and to  
9           obtain corroborating documentation from other  
10          sources so that the accuracy of information provided  
11          by the stores and concerns may be verified.”.

12 **SEC. 1043. WAITING PERIOD FOR STORES THAT FAIL TO**  
13 **MEET AUTHORIZATION CRITERIA.**

14          Section 9(d) of the Food Stamp Act of 1977 (7  
15 U.S.C. 2018(d)) is amended by adding at the end the fol-  
16 lowing: “A retail food store or wholesale food concern that  
17 is denied approval to accept and redeem coupons because  
18 the store or concern does not meet criteria for approval  
19 established by the Secretary may not, for at least 6  
20 months, submit a new application to participate in the  
21 program. The Secretary may establish a longer time pe-  
22 riod under the preceding sentence, including permanent  
23 disqualification, that reflects the severity of the basis of  
24 the denial.”.

1 **SEC. 1044. OPERATION OF FOOD STAMP OFFICES.**

2 Section 11 of the Food Stamp Act of 1977 (7 U.S.C.  
3 2020), as amended by section 1020(b), is further amend-  
4 ed—

5 (1) in subsection (e)—

6 (A) by striking paragraph (2) and insert-  
7 ing the following:

8 “(2)(A) that the State agency shall establish  
9 procedures governing the operation of food stamp of-  
10 fices that the State agency determines best serve  
11 households in the State, including households with  
12 special needs, such as households with elderly or dis-  
13 abled members, households in rural areas with low-  
14 income members, homeless individuals, households  
15 residing on reservations, and households in areas in  
16 which a substantial number of members of low-in-  
17 come households speak a language other than Eng-  
18 lish.

19 “(B) In carrying out subparagraph (A), a State  
20 agency—

21 “(i) shall provide timely, accurate, and fair  
22 service to applicants for, and participants in,  
23 the food stamp program;

24 “(ii) shall develop an application contain-  
25 ing the information necessary to comply with  
26 this Act;



1           “(iii) shall permit an applicant household  
2           to apply to participate in the program on the  
3           same day that the household first contacts a  
4           food stamp office in person during office hours;

5           “(iv) shall consider an application that  
6           contains the name, address, and signature of  
7           the applicant to be filed on the date the appli-  
8           cant submits the application;

9           “(v) shall require that an adult representa-  
10          tive of each applicant household certify in writ-  
11          ing, under penalty of perjury, that—

12               “(I) the information contained in the  
13               application is true; and

14               “(II) all members of the household  
15               are citizens or are aliens eligible to receive  
16               food stamps under section 6(f);

17           “(vi) shall provide a method of certifying  
18           and issuing coupons to eligible homeless individ-  
19           uals, to ensure that participation in the food  
20           stamp program is limited to eligible households;  
21           and

22           “(vii) may establish operating procedures  
23           that vary for local food stamp offices to reflect  
24           regional and local differences within the State.

1           “(C) Nothing in this Act shall prohibit the use  
2           of signatures provided and maintained electronically,  
3           storage of records using automated retrieval systems  
4           only, or any other feature of a State agency’s appli-  
5           cation system that does not rely exclusively on the  
6           collection and retention of paper applications or  
7           other records.

8           “(D) The signature of any adult under this  
9           paragraph shall be considered sufficient to comply  
10          with any provision of Federal law requiring a house-  
11          hold member to sign an application or statement.”;

12                 (B) in paragraph (3)—

13                         (i) by striking “shall—” and all that  
14                         follows through “provide each” and insert-  
15                         ing “shall provide each”; and

16                         (ii) by striking “(B) assist” and all  
17                         that follows through “representative of the  
18                         State agency;”;

19                 (C) by striking paragraphs (14) and (25);

20                 (D)(i) by redesignating paragraphs (15)  
21                 through (24) as paragraphs (14) through (23),  
22                 respectively; and

23                         (ii) by redesignating paragraph (26) as  
24                 paragraph (24); and

25                 (2) in subsection (i)—

1 (A) by striking “(i) Notwithstanding” and  
 2 all that follows through “(2)” and inserting the  
 3 following:

4 “(i) APPLICATION AND DENIAL PROCEDURES.—

5 “(1) APPLICATION PROCEDURES.—Notwith-  
 6 standing any other provision of law,”; and

7 (B) by striking “; (3) households” and all  
 8 that follows through “title IV of the Social Se-  
 9 curity Act. No” and inserting a period and the  
 10 following:

11 “(2) DENIAL AND TERMINATION.—Other than  
 12 in a case of disqualification as a penalty for failure  
 13 to comply with a public assistance program rule or  
 14 regulation, no”.

15 **SEC. 1045. STATE EMPLOYEE AND TRAINING STANDARDS.**

16 Section 11(e)(6) of the Food Stamp Act of 1977 (7  
 17 U.S.C. 2020(e)(6)) is amended—

18 (1) by striking “that (A) the” and inserting  
 19 “that—

20 “(A) the”;

21 (2) by striking “Act; (B) the” and inserting

22 “Act; and

23 “(B) the”;

1           (3) in subparagraph (B), by striking “United  
2       States Civil Service Commission” and inserting “Of-  
3       fice of Personnel Management”; and

4           (4) by striking subparagraphs (C) through (E).

5       **SEC. 1046. EXCHANGE OF LAW ENFORCEMENT INFORMA-**  
6                               **TION.**

7       Section 11(e)(8) of the Food Stamp Act of 1977 (7  
8       U.S.C. 2020(e)(8)) is amended—

9           (1) by striking “that (A) such” and inserting  
10       the following: “that—

11                       “(A) the”;

12           (2) by striking “law, (B) notwithstanding” and  
13       inserting the following: “law;

14                       “(B) notwithstanding”;

15           (3) by striking “Act, and (C) such” and insert-  
16       ing the following: “Act;

17                       “(C) the”; and

18           (4) by adding at the end the following:

19                       “(D) notwithstanding any other provision  
20       of law, the address, social security number, and,  
21       if available, photograph of any member of a  
22       household shall be made available, on request,  
23       to any Federal, State, or local law enforcement  
24       officer if the officer furnishes the State agency

with the name of the member and notifies the  
agency that—

“(i) the member—

“(I) is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime (or attempt to commit a crime) that, under the law of the place the member is fleeing, is a felony (or, in the case of New Jersey, a high misdemeanor), or is violating a condition of probation or parole imposed under Federal or State law; or

“(II) has information that is necessary for the officer to conduct an official duty related to subclause (I);

“(ii) locating or apprehending the member is an official duty; and

“(iii) the request is being made in the proper exercise of an official duty; and

“(E) the safeguards shall not prevent compliance with paragraph (16);”.

**SEC. 1047. EXPEDITED COUPON SERVICE.**

Section 11(e)(9) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(9)) is amended—

1 (1) in subparagraph (A)—

2 (A) by striking “five days” and inserting

3 “7 days”; and

4 (B) by inserting “and” at the end;

5 (2) by striking subparagraphs (B) and (C);

6 (3) by redesignating subparagraph (D) as sub-

7 paragraph (B); and

8 (4) in subparagraph (B), as redesignated by

9 paragraph (3), by striking “, (B), or (C)”.

10 **SEC. 1048. WITHDRAWING FAIR HEARING REQUESTS.**

11 Section 11(e)(10) of the Food Stamp Act of 1977 (7

12 U.S.C. 2020(e)(10)) is amended by inserting before the

13 semicolon at the end a period and the following: “At the

14 option of a State, at any time prior to a fair hearing deter-

15 mination under this paragraph, a household may with-

16 draw, orally or in writing, a request by the household for

17 the fair hearing. If the withdrawal request is an oral re-

18 quest, the State agency shall provide a written notice to

19 the household confirming the withdrawal request and pro-

20 viding the household with an opportunity to request a

21 hearing”.

22 **SEC. 1049. INCOME, ELIGIBILITY, AND IMMIGRATION STA-**

23 **TUS VERIFICATION SYSTEMS.**

24 Section 11 of the Food Stamp Act of 1977 (7 U.S.C.

25 2020) is amended—

1 (1) in subsection (e)(18), as redesignated by  
 2 section 1044(1)(D)—

3 (A) by striking “that information is” and  
 4 inserting “at the option of the State agency,  
 5 that information may be”; and

6 (B) by striking “shall be requested” and  
 7 inserting “may be requested”; and

8 (2) by adding at the end the following:

9 “(p) STATE VERIFICATION OPTION.—Notwithstand-  
 10 ing any other provision of law, in carrying out the food  
 11 stamp program, a State agency shall not be required to  
 12 use an income and eligibility or an immigration status ver-  
 13 ification system established under section 1137 of the So-  
 14 cial Security Act (42 U.S.C. 1320b–7).”.

15 **SEC. 1050. DISQUALIFICATION OF RETAILERS WHO INTEN-**  
 16 **TIONALLY SUBMIT FALSIFIED APPLICATIONS.**

17 Section 12(b) of the Food Stamp Act of 1977 (7  
 18 U.S.C. 2021(b)) is amended—

19 (1) in paragraph (2), by striking “and” at the  
 20 end;

21 (2) in paragraph (3), by striking the period at  
 22 the end and inserting “; and”; and

23 (3) by adding at the end the following:

24 “(4) for a reasonable period of time to be deter-  
 25 mined by the Secretary, including permanent dis-

1 qualification, on the knowing submission of an appli-  
 2 cation for the approval or reauthorization to accept  
 3 and redeem coupons that contains false information  
 4 about a substantive matter that was a part of the  
 5 application.”.

6 **SEC. 1051. DISQUALIFICATION OF RETAILERS WHO ARE**  
 7 **DISQUALIFIED UNDER THE WIC PROGRAM.**

8 Section 12 of the Food Stamp Act of 1977 (7 U.S.C.  
 9 2021) is amended by adding at the end the following:

10 “(g) DISQUALIFICATION OF RETAILERS WHO ARE  
 11 DISQUALIFIED UNDER THE WIC PROGRAM.—

12 “(1) IN GENERAL.—The Secretary shall issue  
 13 regulations providing criteria for the disqualification  
 14 under this Act of an approved retail food store and  
 15 a wholesale food concern that is disqualified from  
 16 accepting benefits under the special supplemental  
 17 nutrition program for women, infants, and children  
 18 established under section 17 of the Child Nutrition  
 19 Act of 1966 (7 U.S.C. 1786).

20 “(2) TERMS.—A disqualification under para-  
 21 graph (1)—

22 “(A) shall be for the same length of time  
 23 as the disqualification from the program re-  
 24 ferred to in paragraph (1);



1           “(B) may begin at a later date than the  
2           disqualification from the program referred to in  
3           paragraph (1); and

4           “(C) notwithstanding section 14, shall not  
5           be subject to judicial or administrative review.”.

6 **SEC. 1052. COLLECTION OF OVERISSUANCES.**

7           (a) COLLECTION OF OVERISSUANCES.—Section 13 of  
8 the Food Stamp Act of 1977 (7 U.S.C. 2022) is amend-  
9 ed—

10           (1) by striking subsection (b) and inserting the  
11 following:

12           “(b) COLLECTION OF OVERISSUANCES.—

13           “(1) IN GENERAL.—Except as otherwise pro-  
14 vided in this subsection, a State agency shall collect  
15 any overissuance of coupons issued to a household  
16 by—

17           “(A) reducing the allotment of the house-  
18 hold;

19           “(B) withholding amounts from unemploy-  
20 ment compensation from a member of the  
21 household under subsection (c);

22           “(C) recovering from Federal pay or a  
23 Federal income tax refund under subsection  
24 (d); or

25           “(D) any other means.

1           “(2) COST EFFECTIVENESS.—Paragraph (1)  
 2           shall not apply if the State agency demonstrates to  
 3           the satisfaction of the Secretary that all of the  
 4           means referred to in paragraph (1) are not cost ef-  
 5           fective.

6           “(3) MAXIMUM REDUCTION ABSENT FRAUD.—  
 7           If a household received an overissuance of coupons  
 8           without any member of the household being found  
 9           ineligible to participate in the program under section  
 10          6(b)(1) and a State agency elects to reduce the allot-  
 11          ment of the household under paragraph (1)(A), the  
 12          State agency shall not reduce the monthly allotment  
 13          of the household under paragraph (1)(A) by an  
 14          amount in excess of the greater of—

15                 “(A) 10 percent of the monthly allotment  
 16                 of the household; or

17                 “(B) \$10.

18          “(4) PROCEDURES.—A State agency shall col-  
 19          lect an overissuance of coupons issued to a house-  
 20          hold under paragraph (1) in accordance with the re-  
 21          quirements established by the State agency for pro-  
 22          viding notice, electing a means of payment, and es-  
 23          tablishing a time schedule for payment.”; and

24                 (2) in subsection (d)—

1 (A) by striking “as determined under sub-  
 2 section (b) and except for claims arising from  
 3 an error of the State agency,” and inserting “,  
 4 as determined under subsection (b)(1),”; and

5 (B) by inserting before the period at the  
 6 end the following: “or a Federal income tax re-  
 7 fund as authorized by section 3720A of title 31,  
 8 United States Code”.

9 (b) CONFORMING AMENDMENTS.—Section 11(e)(8)  
 10 of the Act (7 U.S.C. 2020(e)(8)) is amended—

11 (1) by striking “and excluding claims” and all  
 12 that follows through “such section”; and

13 (2) by inserting before the semicolon at the end  
 14 the following: “or a Federal income tax refund as  
 15 authorized by section 3720A of title 31, United  
 16 States Code”.

17 (c) RETENTION RATE.—Section 16(a) of the Act (7  
 18 U.S.C. 2025(a)) is amended by striking “25 percent dur-  
 19 ing the period beginning October 1, 1990” and all that  
 20 follows through “error of a State agency” and inserting  
 21 the following: “25 percent of the overissuances collected  
 22 by the State agency under section 13, except those  
 23 overissuances arising from an error of the State agency”.

1 **SEC. 1053. AUTHORITY TO SUSPEND STORES VIOLATING**  
2 **PROGRAM REQUIREMENTS PENDING ADMIN-**  
3 **ISTRATIVE AND JUDICIAL REVIEW.**

4 Section 14(a) of the Food Stamp Act of 1977 (7  
5 U.S.C. 2023(a)) is amended—

6 (1) by redesignating the first through seven-  
7 teenth sentences as paragraphs (1) through (17), re-  
8 spectively; and

9 (2) by adding at the end the following:

10 “(18) SUSPENSION OF STORES PENDING RE-  
11 VIEW.—Notwithstanding any other provision of this  
12 subsection, any permanent disqualification of a retail  
13 food store or wholesale food concern under para-  
14 graph (3) or (4) of section 12(b) shall be effective  
15 from the date of receipt of the notice of disqualifica-  
16 tion. If the disqualification is reversed through ad-  
17 ministrative or judicial review, the Secretary shall  
18 not be liable for the value of any sales lost during  
19 the disqualification period.”.

20 **SEC. 1054. EXPANDED CRIMINAL FORFEITURE FOR VIOLA-**  
21 **TIONS.**

22 (a) **FORFEITURE OF ITEMS EXCHANGED IN FOOD**  
23 **STAMP TRAFFICKING.**—The first sentence of section  
24 15(g) of the Food Stamp Act of 1977 (7 U.S.C. 2024(g))  
25 is amended by striking “or intended to be furnished”.

1 (b) CRIMINAL FORFEITURE.—Section 15 of the Act  
2 (7 U.S.C. 2024) is amended by adding at the end the fol-  
3 lowing:

4 “(h) CRIMINAL FORFEITURE.—

5 “(1) IN GENERAL.—In imposing a sentence on  
6 a person convicted of an offense in violation of sub-  
7 section (b) or (c), a court shall order, in addition to  
8 any other sentence imposed under this subsection,  
9 that the person forfeit to the United States all prop-  
10 erty described in paragraph (2).

11 “(2) PROPERTY SUBJECT TO FORFEITURE.—All  
12 property, real and personal, used in a transaction or  
13 attempted transaction, to commit, or to facilitate the  
14 commission of, a violation (other than a mis-  
15 demeanor) of subsection (b) or (c), or proceeds  
16 traceable to a violation of subsection (b) or (c), shall  
17 be subject to forfeiture to the United States under  
18 paragraph (1).

19 “(3) INTEREST OF OWNER.—No interest in  
20 property shall be forfeited under this subsection as  
21 the result of any act or omission established by the  
22 owner of the interest to have been committed or  
23 omitted without the knowledge or consent of the  
24 owner.

1           “(4) PROCEEDS.—The proceeds from any sale  
2           of forfeited property and any monies forfeited under  
3           this subsection shall be used—

4                   “(A) first, to reimburse the Department of  
5           Justice for the costs incurred by the Depart-  
6           ment to initiate and complete the forfeiture pro-  
7           ceeding;

8                   “(B) second, to reimburse the Department  
9           of Agriculture Office of Inspector General for  
10          any costs the Office incurred in the law enforce-  
11          ment effort resulting in the forfeiture;

12                   “(C) third, to reimburse any Federal or  
13          State law enforcement agency for any costs in-  
14          curred in the law enforcement effort resulting  
15          in the forfeiture; and

16                   “(D) fourth, by the Secretary to carry out  
17          the approval, reauthorization, and compliance  
18          investigations of retail stores and wholesale  
19          food concerns under section 9.”.

20   **SEC. 1055. LIMITATION OF FEDERAL MATCH.**

21          Section 16(a)(4) of the Food Stamp Act of 1977 (7  
22   U.S.C. 2025(a)(4)) is amended by inserting after the  
23   comma at the end the following: “but not including re-  
24   cruitment activities,”.

1 **SEC. 1056. STANDARDS FOR ADMINISTRATION.**

2 (a) IN GENERAL.—Section 16 of the Food Stamp Act  
3 of 1977 (7 U.S.C. 2025) is amended by striking sub-  
4 section (b).

5 (b) CONFORMING AMENDMENTS.—

6 (1) The first sentence of section 11(g) of the  
7 Act (7 U.S.C. 2020(g)) is amended by striking “the  
8 Secretary’s standards for the efficient and effective  
9 administration of the program established under sec-  
10 tion 16(b)(1) or”.

11 (2) Section 16(c)(1)(B) of the Act (7 U.S.C.  
12 2025(c)(1)(B)) is amended by striking “pursuant to  
13 subsection (b)”.

14 **SEC. 1057. WORK SUPPLEMENTATION OR SUPPORT PRO-**  
15 **GRAM.**

16 Section 16 of the Food Stamp Act of 1977 (7 U.S.C.  
17 2025), as amended by section 1056(a), is further amended  
18 by inserting after subsection (a) the following:

19 “(b) WORK SUPPLEMENTATION OR SUPPORT PRO-  
20 GRAM.—

21 “(1) DEFINITION OF WORK SUPPLEMENTATION  
22 OR SUPPORT PROGRAM.—In this subsection, the  
23 term ‘work supplementation or support program’  
24 means a program under which, as determined by the  
25 Secretary, public assistance (including any benefits  
26 provided under a program established by the State

1 and the food stamp program) is provided to an em-  
2 ployer to be used for hiring and employing a public  
3 assistance recipient who was not employed by the  
4 employer at the time the public assistance recipient  
5 entered the program.

6 “(2) PROGRAM.—A State agency may elect to  
7 use an amount equal to the allotment that would  
8 otherwise be issued to a household under the food  
9 stamp program, but for the operation of this sub-  
10 section, for the purpose of subsidizing or supporting  
11 a job under a work supplementation or support pro-  
12 gram established by the State.

13 “(3) PROCEDURE.—If a State agency makes an  
14 election under paragraph (2) and identifies each  
15 household that participates in the food stamp pro-  
16 gram that contains an individual who is participat-  
17 ing in the work supplementation or support pro-  
18 gram—

19 “(A) the Secretary shall pay to the State  
20 agency an amount equal to the value of the al-  
21 lotment that the household would be eligible to  
22 receive but for the operation of this subsection;

23 “(B) the State agency shall expend the  
24 amount received under subparagraph (A) in ac-  
25 cordance with the work supplementation or sup-



1 port program in lieu of providing the allotment  
2 that the household would receive but for the op-  
3 eration of this subsection;

4 “(C) for purposes of—

5 “(i) sections 5 and 8(a), the amount  
6 received under this subsection shall be ex-  
7 cluded from household income and re-  
8 sources; and

9 “(ii) section 8(b), the amount received  
10 under this subsection shall be considered to  
11 be the value of an allotment provided to  
12 the household; and

13 “(D) the household shall not receive an al-  
14 lotment from the State agency for the period  
15 during which the member continues to partici-  
16 pate in the work supplementation or support  
17 program.

18 “(4) OTHER WORK REQUIREMENTS.—No indi-  
19 vidual shall be excused, by reason of the fact that  
20 a State has a work supplementation or support pro-  
21 gram, from any work requirement under section  
22 6(d), except during the periods in which the individ-  
23 ual is employed under the work supplementation or  
24 support program.

1           “(5) LENGTH OF PARTICIPATION.—A State  
 2           agency shall provide a description of how the public  
 3           assistance recipients in the program shall, within a  
 4           specific period of time, be moved from supplemented  
 5           or supported employment to employment that is not  
 6           supplemented or supported.

7           “(6) DISPLACEMENT.—A work supplementation  
 8           or support program shall not displace the employ-  
 9           ment of individuals who are not supplemented or  
 10          supported.”.

11 **SEC. 1058. WAIVER AUTHORITY.**

12          Section 17(b)(1) of the Food Stamp Act of 1977 (7  
 13 U.S.C. 2026(b)(1)) is amended—

14           (1) by redesignating subparagraph (B) as sub-  
 15          paragraph (C); and

16           (2) in subparagraph (A)—

17                   (A) by striking the second sentence; and

18                   (B) by striking “benefits to eligible house-  
 19          holds, including” and inserting the following:  
 20          “benefits to eligible households, and may waive  
 21          any requirement of this Act to the extent nec-  
 22          essary for the project to be conducted.

23           “(B) PROJECT REQUIREMENTS.—

24                   “(i) PROGRAM GOAL.—The Secretary  
 25          may not conduct a project under subpara-

graph (A) unless the project is consistent with the goal of the food stamp program of providing food assistance to raise levels of nutrition among low-income individuals.

“(ii) PERMISSIBLE PROJECTS.—The Secretary may conduct a project under subparagraph (A) to—

“(I) improve program administration;

“(II) increase the self-sufficiency of food stamp recipients;

“(III) test innovative welfare reform strategies; and

“(IV) allow greater conformity with the rules of other programs than would be allowed but for this paragraph.

“(iii) IMPERMISSIBLE PROJECTS.—The Secretary may not conduct a project under subparagraph (A) that—

“(I) involves the payment of the value of an allotment in the form of cash, unless the project was approved prior to the date of enactment of this subparagraph;

1 “(II) substantially transfers  
 2 funds made available under this Act  
 3 to services or benefits provided pri-  
 4 marily through another public assist-  
 5 ance program; or

6 “(III) is not limited to a specific  
 7 time period.

8 “(iv) ADDITIONAL INCLUDED  
 9 PROJECTS.—Pilot or experimental projects  
 10 may include”.

11 **SEC. 1059. AUTHORIZATION OF PILOT PROJECTS.**

12 Section 17(b)(1)(B) of the Food Stamp Act of 1977  
 13 (7 U.S.C. 2026(b)(1)(B)), as amended by section 1058,  
 14 is further amended—

15 (1) in clause (iv), by striking “coupons. Any  
 16 pilot” and inserting the following: “coupons.

17 “(v) CASH PAYMENT PILOT  
 18 PROJECTS.—Any pilot”; and

19 (2) in clause (v), as so amended, by striking  
 20 “1995” and inserting “2002”.

21 **SEC. 1060. RESPONSE TO WAIVERS.**

22 Section 17(b)(1) of the Food Stamp Act of 1977 (7  
 23 U.S.C. 2026(b)(1)), as amended by section 1058, is fur-  
 24 ther amended by adding at the end the following:

25 “(D) RESPONSE TO WAIVERS.—

1           “(i) RESPONSE.—Not later than 60  
2           days after the date of receiving a request  
3           for a waiver under subparagraph (A), the  
4           Secretary shall provide a response that—

5                   “(I) approves the waiver request;

6                   “(II) denies the waiver request  
7                   and explains any modification needed  
8                   for approval of the waiver request;

9                   “(III) denies the waiver request  
10                  and explains the grounds for the de-  
11                  nial; or

12                  “(IV) requests clarification of the  
13                  waiver request.

14           “(ii) FAILURE TO RESPOND.—If the  
15           Secretary does not provide a response in  
16           accordance with clause (i), the waiver shall  
17           be considered approved, unless the ap-  
18           proval is specifically prohibited by this Act.

19           “(iii) NOTICE OF DENIAL.—On denial  
20           of a waiver request under clause (i)(III),  
21           the Secretary shall provide a copy of the  
22           waiver request and a description of the  
23           reasons for the denial to the Committee on  
24           Agriculture of the House of Representa-

1                   tives and the Committee on Agriculture,  
2                   Nutrition, and Forestry of the Senate.”.

3 **SEC. 1061. EMPLOYMENT INITIATIVES PROGRAM.**

4       Section 17 of the Food Stamp Act of 1977 (7 U.S.C.  
5 2026) is amended by striking subsection (d) and inserting  
6 the following:

7       “(d) EMPLOYMENT INITIATIVES PROGRAM.—

8               “(1) ELECTION TO PARTICIPATE.—

9                   “(A) IN GENERAL.—Subject to the other  
10                  provisions of this subsection, a State may elect  
11                  to carry out an employment initiatives program  
12                  under this subsection.

13               “(B) REQUIREMENT.—A State shall be eli-  
14               gible to carry out an employment initiatives  
15               program under this subsection only if not less  
16               than 50 percent of the households that received  
17               food stamp benefits during the summer of 1993  
18               also received benefits under a State program  
19               funded under part A of title IV of the Social  
20               Security Act (42 U.S.C. 601 et seq.) during the  
21               summer of 1993.

22       “(2) PROCEDURE.—

23               “(A) IN GENERAL.—A State that has  
24               elected to carry out an employment initiatives  
25               program under paragraph (1) may use amounts

1 equal to the food stamp allotments that would  
2 otherwise be issued to a household under the  
3 food stamp program, but for the operation of  
4 this subsection, to provide cash benefits in lieu  
5 of the food stamp allotments to the household  
6 if the household is eligible under paragraph (3).

7 “(B) PAYMENT.—The Secretary shall pay  
8 to each State that has elected to carry out an  
9 employment initiatives program under para-  
10 graph (1) an amount equal to the value of the  
11 allotment that each household would be eligible  
12 to receive under this Act but for the operation  
13 of this subsection.

14 “(C) OTHER PROVISIONS.—For purposes  
15 of the food stamp program (other than this  
16 subsection)—

17 “(i) cash assistance under this sub-  
18 section shall be considered to be an allot-  
19 ment; and

20 “(ii) each household receiving cash  
21 benefits under this subsection shall not re-  
22 ceive any other food stamp benefit for the  
23 period for which the cash assistance is pro-  
24 vided.

1           “(D)    ADDITIONAL    PAYMENTS.—Each  
2           State that has elected to carry out an employ-  
3           ment initiatives program under paragraph (1)  
4           shall—

5                   “(i) increase the cash benefits pro-  
6                   vided to each household under this sub-  
7                   section to compensate for any State or  
8                   local sales tax that may be collected on  
9                   purchases of food by any household receiv-  
10                  ing cash benefits under this subsection, un-  
11                  less the Secretary determines on the basis  
12                  of information provided by the State that  
13                  the increase is unnecessary on the basis of  
14                  the limited nature of the items subject to  
15                  the State or local sales tax; and

16                   “(ii) pay the cost of any increase in  
17                  cash benefits required by clause (i).

18           “(3) ELIGIBILITY.—A household shall be eligi-  
19           ble to receive cash benefits under paragraph (2) if  
20           an adult member of the household—

21                   “(A) has worked in unsubsidized employ-  
22                  ment for not less than the preceding 90 days;

23                   “(B) has earned not less than \$350 per  
24                  month from the employment referred to in sub-



1 paragraph (A) for not less than the preceding  
2 90 days;

3 “(C)(i) is receiving benefits under a State  
4 program funded under part A of title IV of the  
5 Social Security Act (42 U.S.C. 601 et seq.); or

6 “(ii) was receiving benefits under a State  
7 program funded under part A of title IV of the  
8 Social Security Act (42 U.S.C. 601 et seq.) at  
9 the time the member first received cash benefits  
10 under this subsection and is no longer eligible  
11 for the State program because of earned in-  
12 come;

13 “(D) is continuing to earn not less than  
14 \$350 per month from the employment referred  
15 to in subparagraph (A); and

16 “(E) elects to receive cash benefits in lieu  
17 of food stamp benefits under this subsection.

18 “(4) EVALUATION.—A State that operates a  
19 program under this subsection for 2 years shall pro-  
20 vide to the Secretary a written evaluation of the im-  
21 pact of cash assistance under this subsection. The  
22 State agency, with the concurrence of the Secretary,  
23 shall determine the content of the evaluation.”.

1 **SEC. 1062. REAUTHORIZATION.**

2       The first sentence of section 18(a)(1) of the Food  
3 Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended by  
4 striking “1991 through 1997” and inserting “1996  
5 through 2002”.

6 **SEC. 1063. SIMPLIFIED FOOD STAMP PROGRAM.**

7       (a) IN GENERAL.—The Food Stamp Act of 1977 (7  
8 U.S.C. 2011 et seq.) is amended by adding at the end  
9 the following:

10 **“SEC. 26. SIMPLIFIED FOOD STAMP PROGRAM.**

11       “(a) DEFINITION OF FEDERAL COSTS.—In this sec-  
12 tion, the term ‘Federal costs’ does not include any Federal  
13 costs incurred under section 17.

14       “(b) ELECTION.—Subject to subsection (d), a State  
15 may elect to carry out a Simplified Food Stamp Program  
16 (referred to in this section as a ‘Program’), statewide or  
17 in a political subdivision of the State, in accordance with  
18 this section.

19       “(c) OPERATION OF PROGRAM.—If a State elects to  
20 carry out a Program, within the State or a political sub-  
21 division of the State—

22               “(1) a household in which all members receive  
23 assistance under a State program funded under part  
24 A of title IV of the Social Security Act (42 U.S.C.  
25 601 et seq.) shall automatically be eligible to partici-  
26 pate in the Program; and

1           “(2) subject to subsection (f), benefits under  
2           the Program shall be determined under rules and  
3           procedures established by the State under—

4                   “(A) a State program funded under part A  
5                   of title IV of the Social Security Act (42 U.S.C.  
6                   601 et seq.);

7                   “(B) the food stamp program (other than  
8                   section 25); or

9                   “(C) a combination of a State program  
10                  funded under part A of title IV of the Social  
11                  Security Act (42 U.S.C. 601 et seq.) and the  
12                  food stamp program (other than section 25).

13          “(d) APPROVAL OF PROGRAM.—

14                  “(1) STATE PLAN.—A State agency may not  
15                  operate a Program unless the Secretary approves a  
16                  State plan for the operation of the Program under  
17                  paragraph (2).

18                  “(2) APPROVAL OF PLAN.—The Secretary shall  
19                  approve any State plan to carry out a Program if  
20                  the Secretary determines that the plan—

21                          “(A) complies with this section; and

22                          “(B) contains sufficient documentation  
23                          that the plan will not increase Federal costs for  
24                          any fiscal year.

25          “(e) INCREASED FEDERAL COSTS.—

1           “(1) DETERMINATION.—During each fiscal  
2 year and not later than 90 days after the end of  
3 each fiscal year, the Secretary shall determine  
4 whether a Program being carried out by a State  
5 agency is increasing Federal costs under this Act  
6 above the Federal costs incurred under the food  
7 stamp program in operation in the State or political  
8 sub- division of the State for the fiscal year prior  
9 to the implementation of the Program, adjusted for  
10 any changes in—

11                   “(A) participation;

12                   “(B) the income of participants in the food  
13 stamp program that is not attributable to pub-  
14 lic assistance; and

15                   “(C) the thrifty food plan under section  
16 3(o).

17           “(2) NOTIFICATION.—If the Secretary deter-  
18 mines that the Program has increased Federal costs  
19 under this Act for any fiscal year or any portion of  
20 any fiscal year, the Secretary shall notify the State  
21 not later than 30 days after the Secretary makes the  
22 determination under paragraph (1).

23           “(3) ENFORCEMENT.—

24                   “(A) CORRECTIVE ACTION.—Not later  
25 than 90 days after the date of a notification

1 under paragraph (2), the State shall submit a  
2 plan for approval by the Secretary for prompt  
3 corrective action that is designed to prevent the  
4 Program from increasing Federal costs under  
5 this Act.

6 “(B) TERMINATION.—If the State does not  
7 submit a plan under subparagraph (A) or carry  
8 out a plan approved by the Secretary, the Sec-  
9 retary shall terminate the approval of the State  
10 agency operating the Program and the State  
11 agency shall be ineligible to operate a future  
12 Program.

13 “(f) RULES AND PROCEDURES.—

14 “(1) IN GENERAL.—In operating a Program, a  
15 State or political subdivision of a State may follow  
16 the rules and procedures established by the State or  
17 political subdivision under a State program funded  
18 under part A of title IV of the Social Security Act  
19 (42 U.S.C. 601 et seq.) or under the food stamp  
20 program.

21 “(2) STANDARDIZED DEDUCTIONS.—In operat-  
22 ing a Program, a State or political subdivision of a  
23 State may standardize the deductions provided  
24 under section 5(e). In developing the standardized  
25 deduction, the State shall consider the work ex-

penses, dependent care costs, and shelter costs of participating households.

“(3) REQUIREMENTS.—In operating a Program, a State or political subdivision shall comply with the requirements of—

“(A) subsections (a) through (g) of section 7;

“(B) section 8(a) (except that the income of a household may be determined under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.));

“(C) subsection (b) and (d) of section 8;

“(D) subsections (a), (c), (d), and (n) of section 11;

“(E) paragraphs (8), (12), (16), (18), (20), (24), and (25) of section 11(e);

“(F) section 11(e)(10) (or a comparable requirement established by the State under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)); and

“(G) section 16.

“(4) LIMITATION ON ELIGIBILITY.—Notwithstanding any other provision of this section, a house-

1 hold may not receive benefits under this section as  
2 a result of the eligibility of the household under a  
3 State program funded under part A of title IV of the  
4 Social Security Act (42 U.S.C. 601 et seq.), unless  
5 the Secretary determines that any household with in-  
6 come above 130 percent of the poverty guidelines is  
7 not eligible for the program.”.

8 (b) STATE PLAN PROVISIONS.—Section 11(e) of the  
9 Act (7 U.S.C. 2020(e)), as amended by sections 1028(b)  
10 and 1044, is further amended by adding at the end the  
11 following:

12 “(25) if a State elects to carry out a Simplified  
13 Food Stamp Program under section 26, the plans of  
14 the State agency for operating the program, includ-  
15 ing—

16 “(A) the rules and procedures to be fol-  
17 lowed by the State agency to determine food  
18 stamp benefits;

19 “(B) how the State agency will address the  
20 needs of households that experience high shelter  
21 costs in relation to the incomes of the house-  
22 holds; and

23 “(C) a description of the method by which  
24 the State agency will carry out a quality control  
25 system under section 16(c).”.

1 (c) CONFORMING AMENDMENTS.—

2 (1) Section 8 of the Act (7 U.S.C. 2017), as  
3 amended by section 1039, is further amended—

4 (A) by striking subsection (e); and

5 (B) by redesignating subsection (f) as sub-  
6 section (e).

7 (2) Section 17 of the Act (7 U.S.C. 2026) is  
8 amended—

9 (A) by striking subsection (i); and

10 (B) by redesignating subsections (j)  
11 through (l) as subsections (i) through (k), re-  
12 spectively.

13 **SEC. 1064. STATE FOOD ASSISTANCE BLOCK GRANT.**

14 (a) IN GENERAL.—The Food Stamp Act of 1977 (7  
15 U.S.C. 2011 et seq.), as amended by section 1064, is fur-  
16 ther amended by adding at the end the following:

17 **“SEC. 27. STATE FOOD ASSISTANCE BLOCK GRANT.**

18 “(a) DEFINITIONS.—In this section:

19 “(1) FOOD ASSISTANCE.—The term ‘food as-  
20 sistance’ means assistance that may be used only to  
21 obtain food, as defined in section 3(g).

22 “(2) STATE.—The term ‘State’ means each of  
23 the 50 States, the District of Columbia, Guam, and  
24 the Virgin Islands of the United States.



1       “(b) ESTABLISHMENT.—The Secretary shall estab-  
 2       lish a program to make grants to States in accordance  
 3       with this section to provide—

4               “(1) food assistance to needy individuals and  
 5       families residing in the State; and

6               “(2) funds for administrative costs incurred in  
 7       providing the assistance.

8       “(c) ELECTION.—

9               “(1) IN GENERAL.—A State may annually elect  
 10       to participate in the program established under sub-  
 11       section (b) if the State—

12               “(A) has fully implemented an electronic  
 13       benefit transfer system that operates in the en-  
 14       tire State;

15               “(B) has a payment error rate under sec-  
 16       tion 16(c) that is not more than 6 percent as  
 17       announced most recently by the Secretary; or

18               “(C) has a payment error rate in excess of  
 19       6 percent and agrees to contribute non-Federal  
 20       funds for the fiscal year of the grant, for bene-  
 21       fits and administration of the State’s food as-  
 22       sistance program, the amount determined under  
 23       paragraph (2).

24       “(2) STATE MANDATORY CONTRIBUTIONS.—

1           “(A) IN GENERAL.—In the case of a State  
 2           that elects to participate in the program under  
 3           paragraph (1)(C), the State shall agree to con-  
 4           tribute, for a fiscal year, an amount equal to—

5           “(A)(i) the benefits issued in the State;  
 6           multiplied by

7           “(ii) the payment error rate of the State;  
 8           minus

9           “(B)(i) the benefits issued in the State;  
 10          multiplied by

11          “(ii) 6 percent.

12          “(B) DETERMINATION.—Notwithstanding  
 13          sections 13 and 14, the calculation of the con-  
 14          tribution shall be based solely on the determina-  
 15          tion of the Secretary of the payment error rate.

16          “(C) DATA.—For purposes of implement-  
 17          ing subparagraph (A) for a fiscal year, the Sec-  
 18          retary shall use the data for the most recent  
 19          fiscal year available.

20          “(3) ELECTION LIMITATION.—

21          “(A) RE-ENTERING FOOD STAMP PRO-  
 22          GRAM.—A State that elects to participate in the  
 23          program under paragraph (1) may in a subse-  
 24          quent year decline to elect to participate in the  
 25          program and instead participate in the food

1 stamp program in accordance with the other  
2 sections of this Act.

3 “(B) LIMITATION.—Subsequent to re-en-  
4 tering the food stamp program under subpara-  
5 graph (A), the State shall only be eligible to  
6 participate in the food stamp program in ac-  
7 cordance with the other sections of this Act and  
8 shall not be eligible to elect to participate in the  
9 program established under subsection (b).

10 “(4) PROGRAM EXCLUSIVE.—

11 “(A) IN GENERAL.—A State that is par-  
12 ticipating in the program established under sub-  
13 section (b) shall not be subject to, or receive  
14 any benefit under, this Act except as provided  
15 in this section.

16 “(B) CONTRACT WITH FEDERAL GOVERN-  
17 MENT.—Nothing in this section shall prohibit a  
18 State from contracting with the Federal Gov-  
19 ernment for the provision of services or mate-  
20 rials necessary to carry out a program under  
21 this section.

22 “(d) LEAD AGENCY.—A State desiring to receive a  
23 grant under this section shall designate, in an application  
24 submitted to the Secretary under subsection (e)(1), an ap-

1 appropriate State agency responsible for the administration  
2 of the program under this section as the lead agency.

3 “(e) APPLICATION AND PLAN.—

4 “(1) APPLICATION.—To be eligible to receive  
5 assistance under this section, a State shall prepare  
6 and submit to the Secretary an application at such  
7 time, in such manner, and containing such informa-  
8 tion as the Secretary shall by regulation require, in-  
9 cluding—

10 “(A) an assurance that the State will com-  
11 ply with the requirements of this section;

12 “(B) a State plan that meets the require-  
13 ments of paragraph (3); and

14 “(C) an assurance that the State will com-  
15 ply with the requirements of the State plan  
16 under paragraph (3).

17 “(2) ANNUAL PLAN.—The State plan contained  
18 in the application under paragraph (1) shall be sub-  
19 mitted for approval annually.

20 “(3) REQUIREMENTS OF PLAN.—

21 “(A) LEAD AGENCY.—The State plan shall  
22 identify the lead agency.

23 “(B) USE OF BLOCK GRANT FUNDS.—The  
24 State plan shall provide that the State shall use

1 the amounts provided to the State for each fis-  
2 cal year under this section—

3 “(i) to provide food assistance to  
4 needy individuals and families residing in  
5 the State, other than residents of institu-  
6 tions who are ineligible for food stamps  
7 under section 3(i); and

8 “(ii) to pay administrative costs in-  
9 curred in providing the assistance.

10 “(C) GROUPS SERVED.—The State plan  
11 shall describe how and to what extent the pro-  
12 gram will serve specific groups of individuals  
13 and families and how the treatment will differ  
14 from treatment under the food stamp program  
15 under the other sections of this Act of the indi-  
16 viduals and families, including—

17 “(i) elderly individuals and families;

18 “(ii) migrants or seasonal farm-  
19 workers;

20 “(iii) homeless individuals and fami-  
21 lies;

22 “(iv) individuals and families who live  
23 in institutions eligible under section 3(i);

24 “(v) individuals and families with  
25 earnings; and

1                   “(vi) members of Indian tribes or trib-  
2                   al organizations.

3                   “(D) ASSISTANCE FOR ENTIRE STATE.—  
4                   The State plan shall provide that benefits under  
5                   this section shall be available throughout the  
6                   entire State.

7                   “(E) NOTICE AND HEARINGS.—The State  
8                   plan shall provide that an individual or family  
9                   who applies for, or receives, assistance under  
10                  this section shall be provided with notice of, and  
11                  an opportunity for a hearing on, any action  
12                  under this section that adversely affects the in-  
13                  dividual or family.

14                  “(F) ASSESSMENT OF NEEDS.—The State  
15                  plan shall assess the food and nutrition needs  
16                  of needy persons residing in the State.

17                  “(G) ELIGIBILITY STANDARDS.—The State  
18                  plan shall describe the income, resource, and  
19                  other eligibility standards that are established  
20                  for the receipt of assistance under this section.

21                  “(H) DISQUALIFICATION OF FLEEING FEL-  
22                  ONS.—The State plan shall provide for the dis-  
23                  qualification of any individual who would be  
24                  disqualified from participating in the food  
25                  stamp program under section 6(k).

1           “(I) RECEIVING BENEFITS IN MORE THAN  
 2           1 JURISDICTION.—The State plan shall estab-  
 3           lish a system for the exchange of information  
 4           with other States to verify the identity and re-  
 5           ceipt of benefits by recipients.

6           “(J) PRIVACY.—The State plan shall pro-  
 7           vide for safeguarding and restricting the use  
 8           and disclosure of information about any individ-  
 9           ual or family receiving assistance under this  
 10          section.

11          “(K) OTHER INFORMATION.—The State  
 12          plan shall contain such other information as  
 13          may be required by the Secretary.

14          “(4) APPROVAL OF APPLICATION AND PLAN.—  
 15          The Secretary shall approve an application and  
 16          State plan that satisfies the requirements of this  
 17          section.

18          “(f) NO INDIVIDUAL OR FAMILY ENTITLEMENT TO  
 19          ASSISTANCE.—Nothing in this section—

20                 “(1) entitles any individual or family to assist-  
 21                 ance under this section; or

22                 “(2) limits the right of a State to impose addi-  
 23                 tional limitations or conditions on assistance under  
 24                 this section.

25          “(g) BENEFITS FOR ALIENS.—

1           “(1) ELIGIBILITY.—No individual who is an  
2           alien shall be eligible to receive benefits under a  
3           State plan approved under subsection (e)(4) if the  
4           individual is not eligible to participate in the food  
5           stamp program due to the alien status of the indi-  
6           vidual.

7           “(2) INCOME.—The State plan shall provide  
8           that the income of an alien shall be determined in  
9           accordance with section 5(i).

10          “(h) EMPLOYMENT AND TRAINING.—

11               “(1) WORK REQUIREMENTS.—No individual or  
12           household shall be eligible to receive benefits under  
13           a State plan funded under this section if the individ-  
14           ual or household is not eligible to participate in the  
15           food stamp program under subsection (d) or (o) of  
16           section 6.

17               “(2) WORK PROGRAMS.—Each State shall im-  
18           plement an employment and training program in ac-  
19           cordance with the terms and conditions of section  
20           6(d)(4) for individuals under the program and shall  
21           be eligible to receive funding under section 16(h).

22          “(i) ENFORCEMENT.—

23               “(1) REVIEW OF COMPLIANCE WITH STATE  
24           PLAN.—The Secretary shall review and monitor



1 State compliance with this section and the State  
2 plan approved under subsection (e)(4).

3 “(2) NONCOMPLIANCE.—

4 “(A) IN GENERAL.—If the Secretary, after  
5 reasonable notice to a State and opportunity for  
6 a hearing, finds that—

7 “(i) there has been a failure by the  
8 State to comply substantially with any pro-  
9 vision or requirement set forth in the State  
10 plan approved under subsection (e)(4); or

11 “(ii) in the operation of any program  
12 or activity for which assistance is provided  
13 under this section, there is a failure by the  
14 State to comply substantially with any pro-  
15 vision of this section;

16 the Secretary shall notify the State of the find-  
17 ing and that no further grants will be made to  
18 the State under this section (or, in the case of  
19 noncompliance in the operation of a program or  
20 activity, that no further grants to the State will  
21 be made with respect to the program or activ-  
22 ity) until the Secretary is satisfied that there is  
23 no longer any failure to comply or that the non-  
24 compliance will be promptly corrected.

1           “(B) OTHER PENALTIES.—In the case of a  
2           finding of noncompliance made pursuant to  
3           subparagraph (A), the Secretary may, in addi-  
4           tion to, or in lieu of, imposing the penalties de-  
5           scribed in subparagraph (A), impose other ap-  
6           propriate penalties, including recoupment of  
7           money improperly expended for purposes pro-  
8           hibited or not authorized by this section and  
9           disqualification from the receipt of financial as-  
10          sistance under this section.

11          “(C) NOTICE.—The notice required under  
12          subparagraph (A) shall include a specific identi-  
13          fication of any additional penalty being imposed  
14          under subparagraph (B).

15          “(3) ISSUANCE OF REGULATIONS.—The Sec-  
16          retary shall establish by regulation procedures for—

17               “(A) receiving, processing, and determin-  
18               ing the validity of complaints made to the Sec-  
19               retary concerning any failure of a State to com-  
20               ply with the State plan or any requirement of  
21               this section; and

22               “(B) imposing penalties under this section.

23          “(j) GRANT.—

24               “(1) IN GENERAL.—For each fiscal year, the  
25          Secretary shall pay to a State that has an applica-

tion approved by the Secretary under subsection (e)(4) an amount that is equal to the grant of the State under subsection (m) for the fiscal year.

“(2) METHOD OF GRANT.—The Secretary shall make a grant to a State for a fiscal year under this section by issuing 1 or more letters of credit for the fiscal year, with necessary adjustments on account of overpayments or underpayments, as determined by the Secretary.

“(3) SPENDING OF GRANTS BY STATE.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), a grant to a State determined under subsection (m)(1) for a fiscal year may be expended by the State only in the fiscal year.

“(B) CARRYOVER.—The State may reserve up to 10 percent of a grant determined under subsection (m)(1) for a fiscal year to provide assistance under this section in subsequent fiscal years, except that the reserved funds may not exceed 30 percent of the total grant received under this section for a fiscal year.

“(4) FOOD ASSISTANCE AND ADMINISTRATIVE EXPENDITURES.—In each fiscal year, not more than 6 percent of the Federal and State funds required

1 to be expended by a State under this section shall  
2 be used for administrative expenses.

3 “(5) PROVISION OF FOOD ASSISTANCE.—A  
4 State may provide food assistance under this section  
5 in any manner determined appropriate by the State,  
6 such as electronic benefit transfer limited to food  
7 purchases, coupons limited to food purchases, or di-  
8 rect provision of commodities.

9 “(k) QUALITY CONTROL.—Each State participating  
10 in the program established under this section shall main-  
11 tain a system in accordance with, and shall be subject to  
12 section 16(c), including sanctions and eligibility for incen-  
13 tive payment under section 16(c), adjusted for State spe-  
14 cific characteristics under regulations issued by the Sec-  
15 retary.

16 “(l) NONDISCRIMINATION.—

17 “(1) IN GENERAL.—The Secretary shall not  
18 provide financial assistance for any program,  
19 project, or activity under this section if any person  
20 with responsibilities for the operation of the pro-  
21 gram, project, or activity discriminates with respect  
22 to the program, project, or activity because of race,  
23 religion, color, national origin, sex, or disability.

24 “(2) ENFORCEMENT.—The powers, remedies,  
25 and procedures set forth in title VI of the Civil

1 Rights Act of 1964 (42 U.S.C. 2000d et seq.) may  
2 be used by the Secretary to enforce paragraph (1).

3 “(m) GRANT CALCULATION.—

4 “(1) STATE GRANT.—

5 “(A) IN GENERAL.—Except as provided in  
6 subparagraph (B), from the amounts made  
7 available under section 18 for each fiscal year,  
8 the Secretary shall provide a grant to each  
9 State participating in the program established  
10 under this section an amount that is equal to  
11 the sum of—

12 “(i) the greater of, as determined by  
13 the Secretary—

14 “(I) the total dollar value of all  
15 benefits issued under the food stamp  
16 program established under this Act by  
17 the State during fiscal year 1994; or

18 “(II) the average per fiscal year  
19 of the total dollar value of all benefits  
20 issued under the food stamp program  
21 by the State during each of fiscal  
22 years 1992 through 1994; and

23 “(ii) the greater of, as determined by  
24 the Secretary—

1 “(I) the total amount received by  
2 the State for administrative costs  
3 under section 16(a) (not including any  
4 adjustment under section 16(c)) for  
5 fiscal year 1994; or

6 “(II) the average per fiscal year  
7 of the total amount received by the  
8 State for administrative costs under  
9 section 16(a) (not including any ad-  
10 justment under section 16(c)) for each  
11 of fiscal years 1992 through 1994.

12 “(B) INSUFFICIENT FUNDS.—If the Sec-  
13 retary finds that the total amount of grants to  
14 which States would otherwise be entitled for a  
15 fiscal year under subparagraph (A) will exceed  
16 the amount of funds that will be made available  
17 to provide the grants for the fiscal year, the  
18 Secretary shall reduce the grants made to  
19 States under this subsection, on a pro rata  
20 basis, to the extent necessary.

21 “(2) REDUCTION.—The Secretary shall reduce  
22 the grant of a State by the amount a State has  
23 agreed to contribute under subsection (c)(1)(C).”.

24 (b) EMPLOYMENT AND TRAINING FUNDING.—Sec-  
25 tion 16(h) of the Act (7 U.S.C. 2025(a)), as amended by

1 section 1027(d)(2), is further amended by adding at the  
 2 end the following:

3 “(6) BLOCK GRANT STATES.—Each State elect-  
 4 ing to operate a program under section 27 shall—

5 “(A) receive the greater of—

6 “(i) the total dollar value of the funds  
 7 received under paragraph (1) by the State  
 8 during fiscal year 1994; or

9 “(ii) the average per fiscal year of the  
 10 total dollar value of all funds received  
 11 under paragraph (1) by the State during  
 12 each of fiscal years 1992 through 1994;  
 13 and

14 “(B) be eligible to receive funds under  
 15 paragraph (2), within the limitations in section  
 16 6(d)(4)(K).”.

17 (c) RESEARCH ON OPTIONAL STATE FOOD ASSIST-  
 18 ANCE BLOCK GRANT.—Section 17 of the Act (7 U.S.C.  
 19 2026), as amended by section 1064(c)(2), is further  
 20 amended by adding at the end the following:

21 “(l) RESEARCH ON OPTIONAL STATE FOOD ASSIST-  
 22 ANCE BLOCK GRANT.—The Secretary may conduct re-  
 23 search on the effects and costs of a State program carried  
 24 out under section 27.”.

## **Subtitle B—Commodity Distribution Programs**

### **SEC. 1071. EMERGENCY FOOD ASSISTANCE PROGRAM.**

(a) DEFINITIONS.—Section 201A of the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note) is amended to read as follows:

#### **“SEC. 201A. DEFINITIONS.**

“In this Act:

“(1) ADDITIONAL COMMODITIES.—The term ‘additional commodities’ means commodities made available under section 214 in addition to the commodities made available under sections 202 and 203D.

“(2) AVERAGE MONTHLY NUMBER OF UNEMPLOYED PERSONS.—The term ‘average monthly number of unemployed persons’ means the average monthly number of unemployed persons in each State in the most recent fiscal year for which information concerning the number of unemployed persons is available, as determined by the Bureau of Labor Statistics of the Department of Labor.

“(3) ELIGIBLE RECIPIENT AGENCY.—The term ‘eligible recipient agency’ means a public or non-profit organization—



1 “(A) that administers—

2 “(i) an emergency feeding organiza-  
3 tion;

4 “(ii) a charitable institution (including  
5 a hospital and a retirement home, but ex-  
6 cluding a penal institution) to the extent  
7 that the institution serves needy persons;

8 “(iii) a summer camp for children, or  
9 a child nutrition program providing food  
10 service;

11 “(iv) a nutrition project operating  
12 under the Older Americans Act of 1965  
13 (42 U.S.C. 3001 et seq.), including a  
14 project that operates a congregate nutri-  
15 tion site and a project that provides home-  
16 delivered meals; or

17 “(v) a disaster relief program;

18 “(B) that has been designated by the ap-  
19 propriate State agency, or by the Secretary;  
20 and

21 “(C) that has been approved by the Sec-  
22 retary for participation in the program estab-  
23 lished under this Act.

24 “(4) EMERGENCY FEEDING ORGANIZATION.—

25 The term ‘emergency feeding organization’ means a

1 public or nonprofit organization that administers ac-  
2 tivities and projects (including the activities and  
3 projects of a charitable institution, a food bank, a  
4 food pantry, a hunger relief center, a soup kitchen,  
5 or a similar public or private nonprofit eligible recip-  
6 ient agency) providing nutrition assistance to relieve  
7 situations of emergency and distress through the  
8 provision of food to needy persons, including low-in-  
9 come and unemployed persons.

10 “(5) FOOD BANK.—The term ‘food bank’  
11 means a public or charitable institution that main-  
12 tains an established operation involving the provision  
13 of food or edible commodities, or the products of  
14 food or edible commodities, to food pantries, soup  
15 kitchens, hunger relief centers, or other food or feed-  
16 ing centers that, as an integral part of their normal  
17 activities, provide meals or food to feed needy per-  
18 sons on a regular basis.

19 “(6) FOOD PANTRY.—The term ‘food pantry’  
20 means a public or private nonprofit organization  
21 that distributes food to low-income and unemployed  
22 households, including food from sources other than  
23 the Department of Agriculture, to relieve situations  
24 of emergency and distress.

1           “(7) POVERTY LINE.—The term ‘poverty line’  
2       has the same meaning given the term in section  
3       673(2) of the Community Services Block Grant Act  
4       (42 U.S.C. 9902(2)).

5           “(8) SOUP KITCHEN.—The term ‘soup kitchen’  
6       means a public or charitable institution that, as an  
7       integral part of the normal activities of the institu-  
8       tion, maintains an established feeding operation to  
9       provide food to needy homeless persons on a regular  
10      basis.

11          “(9) TOTAL VALUE OF ADDITIONAL COMMOD-  
12      ITIES.—The term ‘total value of additional commod-  
13      ities’ means the actual cost of all additional com-  
14      modities made available under section 214 that are  
15      paid by the Secretary (including the distribution and  
16      processing costs incurred by the Secretary).

17          “(10) VALUE OF ADDITIONAL COMMODITIES  
18      ALLOCATED TO EACH STATE.—The term ‘value of  
19      additional commodities allocated to each State’  
20      means the actual cost of additional commodities  
21      made available under section 214 and allocated to  
22      each State that are paid by the Secretary (including  
23      the distribution and processing costs incurred by the  
24      Secretary).”.

1 (b) STATE PLAN.—Section 202A of the Act (7 U.S.C.  
2 612c note) is amended to read as follows:

3 **“SEC. 202A. STATE PLAN.**

4 “(a) IN GENERAL.—To receive commodities under  
5 this Act, a State shall submit a plan of operation and ad-  
6 ministration every 4 years to the Secretary for approval.  
7 The plan may be amended at any time, with the approval  
8 of the Secretary.

9 “(b) REQUIREMENTS.—Each plan shall—

10 “(1) designate the State agency responsible for  
11 distributing the commodities received under this Act;

12 “(2) set forth a plan of operation and adminis-  
13 tration to expeditiously distribute commodities under  
14 this Act;

15 “(3) set forth the standards of eligibility for re-  
16 cipient agencies; and

17 “(4) set forth the standards of eligibility for in-  
18 dividual or household recipients of commodities,  
19 which shall require—

20 “(A) individuals or households to be com-  
21 prised of needy persons; and

22 “(B) individual or household members to  
23 be residing in the geographic location served by  
24 the distributing agency at the time of applying  
25 for assistance.

1       “(c) STATE ADVISORY BOARD.—The Secretary shall  
 2 encourage each State receiving commodities under this Act  
 3 to establish a State advisory board consisting of represent-  
 4 atives of all interested entities, both public and private,  
 5 in the distribution of commodities received under this Act  
 6 in the State.”.

7       (c) AUTHORIZATION OF APPROPRIATIONS FOR AD-  
 8 MINISTRATIVE FUNDS.—Section 204(a)(1) of the Act (7  
 9 U.S.C. 612c note) is amended—

10           (1) in the first sentence by striking “for State  
 11 and local” and all that follows through “under this  
 12 title” and inserting “to pay for the direct and indi-  
 13 rect administrative costs of the State related to the  
 14 processing, transporting, and distributing to eligible  
 15 recipient agencies of commodities provided by the  
 16 Secretary under this Act and commodities secured  
 17 from other sources”; and

18           (2) by striking the fourth sentence.

19       (d) DELIVERY OF COMMODITIES.—Section 214 of the  
 20 Act (7 U.S.C. 612c note) is amended—

21           (1) by striking subsections (a) through (e) and  
 22 (j);

23           (2) by redesignating subsections (f) through (i)  
 24 as subsections (a) through (d), respectively;

1           (3) in subsection (b), as redesignated by para-  
2       graph (2)—

3           (A) in the first sentence, by striking “sub-  
4       section (f) or subsection (j) if applicable,” and  
5       inserting “subsection (a)”; and

6           (B) in the second sentence, by striking  
7       “subsection (f)” and inserting “subsection (a)”;  
8       (4) by striking subsection (c), as redesignated

9       by paragraph (2), and inserting the following:  
10      “(c) ADMINISTRATION.—

11          “(1) IN GENERAL.—Commodities made avail-  
12       able for each fiscal year under this section shall be  
13       delivered at reasonable intervals to States based on  
14       the grants calculated under subsection (a), or reallo-  
15       cated under subsection (b), before December 31 of  
16       the following fiscal year.

17          “(2) ENTITLEMENT.—Each State shall be enti-  
18       tled to receive the value of additional commodities  
19       determined under subsection (a).”; and

20          (5) in subsection (d), as redesignated by para-  
21       graph (2), by striking “or reduce” and all that fol-  
22       lows through “each fiscal year”.

23       (e) TECHNICAL AMENDMENTS.—The Act (7 U.S.C.  
24   612c note) is amended—

1 (1) in the first sentence of section 203B(a), by  
 2 striking “203 and 203A of this Act” and inserting  
 3 “203A”;

4 (2) in section 204(a), by striking “title” each  
 5 place it appears and inserting “Act”;

6 (3) in the first sentence of section 210(e), by  
 7 striking “(except as otherwise provided for in section  
 8 214(j))”; and

9 (4) by striking section 212.

10 (f) REPORT ON EFAP.—Section 1571 of the Food  
 11 Security Act of 1985 (Public Law 99–198; 7 U.S.C. 612c  
 12 note) is repealed.

13 (g) AVAILABILITY OF COMMODITIES UNDER THE  
 14 FOOD STAMP PROGRAM.—The Food Stamp Act of 1977  
 15 (7 U.S.C. 2011 et seq.), as amended by section 1067, is  
 16 further amended by adding at the end the following:

17 **“SEC. 28. AVAILABILITY OF COMMODITIES FOR THE EMER-**  
 18 **GENCY FOOD ASSISTANCE PROGRAM.**

19 “(a) PURCHASE OF COMMODITIES.—From amounts  
 20 appropriated under this Act, for each of fiscal years 1997  
 21 through 2002, the Secretary shall purchase \$300,000,000  
 22 of a variety of nutritious and useful commodities of the  
 23 types that the Secretary has the authority to acquire  
 24 through the Commodity Credit Corporation or under sec-  
 25 tion 32 of the Act entitled ‘An Act to amend the Agricul-

1 tural Adjustment Act, and for other purposes’, approved  
 2 August 24, 1935 (7 U.S.C. 612c), and distribute the com-  
 3 modities to States for distribution in accordance with sec-  
 4 tion 214 of the Emergency Food Assistance Act of 1983  
 5 (Public Law 98–8; 7 U.S.C. 612c note).

6 “(b) BASIS FOR COMMODITY PURCHASES.—In pur-  
 7 chasing commodities under subsection (a), the Secretary  
 8 shall, to the extent practicable and appropriate, make pur-  
 9 chases based on—

10 “(1) agricultural market conditions;

11 “(2) preferences and needs of States and dis-  
 12 tributing agencies; and

13 “(3) preferences of recipients.”.

14 (h) EFFECTIVE DATE.—The amendments made by  
 15 subsection (d) shall become effective on October 1, 1996.

16 **SEC. 1072. FOOD BANK DEMONSTRATION PROJECT.**

17 Section 3 of the Charitable Assistance and Food  
 18 Bank Act of 1987 (Public Law 100–232; 7 U.S.C. 612c  
 19 note) is repealed.

20 **SEC. 1073. HUNGER PREVENTION PROGRAMS.**

21 The Hunger Prevention Act of 1988 (Public Law  
 22 100–435; 7 U.S.C. 612c note) is amended—

23 (1) by striking section 110;

24 (2) by striking subtitle C of title II; and

25 (3) by striking section 502.



1 **SEC. 1074. REPORT ON ENTITLEMENT COMMODITY PROC-**  
 2 **ESSING.**

3 Section 1773 of the Food, Agriculture, Conservation,  
 4 and Trade Act of 1990 (Public Law 101–624; 7 U.S.C.  
 5 612c note) is amended by striking subsection (f).

6 **TITLE XI—MISCELLANEOUS**

7 **SEC. 1101. EXPENDITURE OF FEDERAL FUNDS IN ACCORD-**  
 8 **ANCE WITH LAWS AND PROCEDURES APPLI-**  
 9 **CABLE TO EXPENDITURE OF STATE FUNDS.**

10 (a) IN GENERAL.—Notwithstanding any other provi-  
 11 sion of law, any funds received by a State under the provi-  
 12 sions of law specified in subsection (b) shall be expended  
 13 only in accordance with the laws and procedures applicable  
 14 to expenditures of the State’s own revenues, including ap-  
 15 propriation by the State legislature, consistent with the  
 16 terms and conditions required under such provisions of  
 17 law.

18 (b) PROVISIONS OF LAW.—The provisions of law  
 19 specified in this subsection are the following:

20 (1) Part A of title IV of the Social Security Act  
 21 (relating to block grants for temporary assistance  
 22 for needy families).

23 (2) Section 25 of the Food Stamp Act of 1977  
 24 (relating to the optional State food assistance block  
 25 grant).

1           (3) The Child Care and Development Block  
 2           Grant Act of 1990 (relating to block grants for child  
 3           care).

4   **SEC. 1102. ELIMINATION OF HOUSING ASSISTANCE WITH**  
 5                   **RESPECT TO FUGITIVE FELONS AND PROBA-**  
 6                   **TION AND PAROLE VIOLATORS.**

7           (a) ELIGIBILITY FOR ASSISTANCE.—The United  
 8           States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is  
 9           amended—

10           (1) in section 6(l)—

11                   (A) in paragraph (5), by striking “and” at  
 12           the end;

13                   (B) in paragraph (6), by striking the pe-  
 14           riod at the end and inserting “; and”; and

15                   (C) by inserting immediately after para-  
 16           graph (6) the following new paragraph:

17                   “(7) provide that it shall be cause for imme-  
 18           diate termination of the tenancy of a public housing  
 19           tenant if such tenant—

20                           “(A) is fleeing to avoid prosecution, or cus-  
 21           tody or confinement after conviction, under the  
 22           laws of the place from which the individual  
 23           flees, for a crime, or attempt to commit a  
 24           crime, which is a felony under the laws of the  
 25           place from which the individual flees, or which,

1 in the case of the State of New Jersey, is a  
2 high misdemeanor under the laws of such State;  
3 or

4 “(2) is violating a condition of probation or pa-  
5 role imposed under Federal or State law.”; and

6 (2) in section 8(d)(1)(B)—

7 (A) in clause (iii), by striking “and” at the  
8 end;

9 (B) in clause (iv), by striking the period at  
10 the end and inserting “; and”; and

11 (C) by adding after clause (iv) the follow-  
12 ing new clause:

13 “(v) it shall be cause for termination  
14 of the tenancy of a tenant if such tenant—

15 “(I) is fleeing to avoid prosecu-  
16 tion, or custody or confinement after  
17 conviction, under the laws of the place  
18 from which the individual flees, for a  
19 crime, or attempt to commit a crime,  
20 which is a felony under the laws of  
21 the place from which the individual  
22 flees, or which, in the case of the  
23 State of New Jersey, is a high mis-  
24 demeanor under the laws of such  
25 State; or

1 “(II) is violating a condition of  
2 probation or parole imposed under  
3 Federal or State law;”.

4 (b) PROVISION OF INFORMATION TO LAW ENFORCE-  
5 MENT AGENCIES.—Title I of the United States Housing  
6 Act of 1937 (42 U.S.C. 1437 et seq.), as amended by sec-  
7 tions 404(d) and 601 of this Act, is amended by adding  
8 at the end the following:

9 **“SEC. 29. EXCHANGE OF INFORMATION WITH LAW EN-**  
10 **FORCEMENT AGENCIES.**

11 “Notwithstanding any other provision of law, each  
12 public housing agency that enters into a contract for as-  
13 sistance under section 6 or 8 of this Act with the Secretary  
14 shall furnish any Federal, State, or local law enforcement  
15 officer, upon the request of the officer, with the current  
16 address, Social Security number, and photograph (if appli-  
17 cable) of any recipient of assistance under this Act, if the  
18 officer—

19 “(1) furnishes the public housing agency with  
20 the name of the recipient; and

21 “(2) notifies the agency that—

22 “(A) such recipient—

23 “(i) is fleeing to avoid prosecution, or  
24 custody or confinement after conviction,  
25 under the laws of the place from which the

individual flees, for a crime, or attempt to  
commit a crime, which is a felony under  
the laws of the place from which the indi-  
vidual flees, or which, in the case of the  
State of New Jersey, is a high mis-  
demeanor under the laws of such State; or

“(ii) is violating a condition of proba-  
tion or parole imposed under Federal or  
State law; or

“(iii) has information that is nec-  
essary for the officer to conduct the offi-  
cer’s official duties;

“(B) the location or apprehension of the  
recipient is within such officer’s official duties;  
and

“(C) the request is made in the proper ex-  
ercise of the officer’s official duties.”.

**SEC. 1103. SENSE OF THE SENATE REGARDING ENTER-  
PRISE ZONES.**

(a) FINDINGS.—The Senate finds that:

(1) Many of the Nation’s urban centers are  
places with high levels of poverty, high rates of wel-  
fare dependency, high crime rates, poor schools, and  
joblessness;

1           (2) Federal tax incentives and regulatory re-  
2       forms can encourage economic growth, job creation  
3       and small business formation in many urban centers;

4           (3) Encouraging private sector investment in  
5       America's economically distressed urban and rural  
6       areas is essential to breaking the cycle of poverty  
7       and the related ills of crime, drug abuse, illiteracy,  
8       welfare dependency, and unemployment;

9           (4) The empowerment zones enacted in 1993  
10      should be enhanced by providing incentives to in-  
11      crease entrepreneurial growth, capital formation, job  
12      creation, educational opportunities, and home owner-  
13      ship in the designated communities and zones.

14      (b) SENSE OF THE SENATE.—Therefore, it is the  
15      Sense of the Senate that the Congress should adopt enter-  
16      prise zone legislation in the One Hundred Fourth Con-  
17      gress, and that such enterprise zone legislation provide the  
18      following incentives and provisions:

19           (1) Federal tax incentives that expand access to  
20      capital, increase the formation and expansion of  
21      small businesses, and promote commercial revitaliza-  
22      tion;

23           (2) Regulatory reforms that allow localities to  
24      petition Federal agencies, subject to the relevant  
25      agencies' approval, for waivers or modifications of

1 regulations to improve job creation, small business  
2 formation and expansion, community development,  
3 or economic revitalization objectives of the enterprise  
4 zones;

5 (3) Home ownership incentives and grants to  
6 encourage resident management of public housing  
7 and home ownership of public housing;

8 (4) School reform pilot projects in certain des-  
9 ignated enterprise zones to provide low-income par-  
10 ents with new and expanded educational options for  
11 their children's elementary and secondary schooling.

12 **SEC. 1104. SENSE OF THE SENATE REGARDING THE IN-**  
13 **ABILITY OF THE NON-CUSTODIAL PARENT TO**  
14 **PAY CHILD SUPPORT.**

15 It is the sense of the Senate that—

16 (a) States should diligently continue their efforts to  
17 enforce child support payments by the non-custodial par-  
18 ent to the custodial parent, regardless of the employment  
19 status or location of the non-custodial parent; and

20 (b) States are encouraged to pursue pilot programs  
21 in which the parents of a non-adult, non-custodial parent  
22 who refuses to or is unable to pay child support must—

23 (1) pay or contribute to the child support owed  
24 by the non-custodial parent; or

1           (2) otherwise fulfill all financial obligations and  
2       meet all conditions imposed on the non-custodial  
3       parent, such as participation in a work program or  
4       other related activity.

5   **SEC. 1105. FOOD STAMP ELIGIBILITY.**

6       Section 6(f) of the Food Stamp Act of 1977 (7  
7   U.S.C. 2015(f)) is amended by striking the third sentence  
8   and inserting the following:

9       “The State agency shall, at its option, consider either  
10   all income and financial resources of the individual ren-  
11   dered ineligible to participate in the food stamp program  
12   under this subsection, or such income, less a pro rata  
13   share, and the financial resources of the ineligible individ-  
14   ual, to determine the eligibility and the value of the allot-  
15   ment of the household of which such individual is a mem-  
16   ber.”.

17   **SEC. 1106. ESTABLISHING NATIONAL GOALS TO PREVENT**  
18                   **TEENAGE PREGNANCIES.**

19       (a) IN GENERAL.—Not later than January 1, 1997,  
20   the Secretary of Health and Human Services shall estab-  
21   lish and implement a strategy for—

22           (1) preventing out-of-wedlock teenage preg-  
23       nancies, and



1           (2) assuring that at least 25 percent of the  
2           communities in the United States have teenage preg-  
3           nancy prevention programs in place.

4           (b) REPORT.—Not later than June 30, 1998, and an-  
5           nually thereafter, the Secretary shall report to the Con-  
6           gress with respect to the progress that has been made in  
7           meeting the goals described in paragraphs (1) and (2) of  
8           subsection (a).

9   **SEC. 1107. SENSE OF THE SENATE REGARDING ENFORCE-**  
10           **MENT OF STATUTORY RAPE LAWS.**

11           It is the sense of the Senate that States and local  
12           jurisdictions should aggressively enforce statutory rape  
13           laws.

14   **SEC. 1108. SANCTIONING FOR TESTING POSITIVE FOR**  
15           **CONTROLLED SUBSTANCES.**

16           Notwithstanding any other provision of law, States  
17           shall not be prohibited by the Federal Government from  
18           sanctioning welfare recipients who test positive for use of  
19           controlled substances.

20   **SEC. 1109. ABSTINENCE EDUCATION.**

21           (a) INCREASES IN FUNDING.—Section 501(a) of the  
22           Social Security Act (42 U.S.C. 701(a)) is amended in the  
23           matter preceding paragraph (1) by striking “Fiscal year  
24           1990 and each fiscal year thereafter” and inserting “Fis-

1 cal years 1990 through 1995 and \$761,000,000 for fiscal  
2 year 1996 and each fiscal year thereafter”.

3 (b) ABSTINENCE EDUCATION.—Section 501(a)(1) of  
4 such Act (42 U.S.C. 701(a)(1)) is amended—

5 (1) in subparagraph (C), by striking “and” at  
6 the end;

7 (2) in subparagraph (D), by adding “and” at  
8 the end; and

9 (3) by adding at the end the following new sub-  
10 paragraph:

11 “(E) to provide abstinence education, and  
12 at the option of the State, where appropriate,  
13 mentoring, counseling, and adult supervision to  
14 promote abstinence from sexual activity, with a  
15 focus on those groups which are most likely to  
16 bear children out-of-wedlock.”.

17 (c) ABSTINENCE EDUCATION DEFINED.—Section  
18 501(b) of such Act (42 U.S.C. 701(b)) is amended by add-  
19 ing at the end the following new paragraph:

20 “(5) ABSTINENCE EDUCATION.—For purposes  
21 of this subsection, the term ‘abstinence education’  
22 means an educational or motivational program  
23 which—

1           “(A) has as its exclusive purpose, teaching  
2           the social, psychological, and health gains to be  
3           realized by abstaining from sexual activity;

4           “(B) teaches abstinence from sexual activ-  
5           ity outside marriage as the expected standard  
6           for all school age children;

7           “(C) teaches that abstinence from sexual  
8           activity is the only certain way to avoid out-of-  
9           wedlock pregnancy, sexually transmitted dis-  
10          eases, and other associated health problems;

11          “(D) teaches that a mutually faithful  
12          monogamous relationship in context of marriage  
13          is the expected standard of human sexual activ-  
14          ity;

15          “(E) teaches that sexual activity outside of  
16          the context of marriage is likely to have harm-  
17          ful psychological and physical effects;

18          “(F) teaches that bearing children out-of-  
19          wedlock is likely to have harmful consequences  
20          for the child, the child’s parents, and society;

21          “(G) teaches young people how to reject  
22          sexual advances and how alcohol and drug use  
23          increases vulnerability to sexual advances; and

1           “(H) teaches the importance of attaining  
2           self-sufficiency before engaging in sexual activ-  
3           ity.”.

4           (d) SET-ASIDE.—

5           (1) IN GENERAL.—Section 502(c) of such Act  
6           (42 U.S.C. 702(c)) is amended in the matter preced-  
7           ing paragraph (1) by striking “From” and inserting  
8           “Except as provided in subsection (e), from”.

9           (2) SET-ASIDE.—Section 502 of such Act (42  
10          U.S.C. 702) is amended by adding at the end the  
11          following new subsection:

12          “(e) Of the amounts appropriated under section  
13          501(a) for any fiscal year, the Secretary shall set aside  
14          \$75,000,000 for abstinence education in accordance with  
15          section 501(a)(1)(E).”.

16   **SEC. 1110. PROVISIONS TO ENCOURAGE ELECTRONIC BEN-**  
17                           **EFIT TRANSFER SYSTEMS.**

18          Section 904 of the Electronic Fund Transfer Act (15  
19          U.S.C. 1693b) is amended—

20           (1) by striking “(d) In the event” and inserting  
21           “(d)   APPLICABILITY   TO   SERVICE   PROVIDERS  
22           OTHER   THAN   CERTAIN   FINANCIAL   INSTITU-  
23           TIONS.—

24           “(1) IN GENERAL.—In the event”; and

1           (2) by adding at the end the following new  
2 paragraph:

3           “(2) STATE AND LOCAL GOVERNMENT ELEC-  
4 TRONIC BENEFIT TRANSFER PROGRAMS.—

5           “(A) EXEMPTION GENERALLY.—The dis-  
6 closures, protections, responsibilities, and rem-  
7 edies established under this title, and any regu-  
8 lation prescribed or order issued by the Board  
9 in accordance with this title, shall not apply to  
10 any electronic benefit transfer program estab-  
11 lished under State or local law or administered  
12 by a State or local government.

13           “(B) EXCEPTION FOR DIRECT DEPOSIT  
14 INTO RECIPIENT’S ACCOUNT.—Subparagraph  
15 (A) shall not apply with respect to any elec-  
16 tronic funds transfer under an electronic benefit  
17 transfer program for deposits directly into a  
18 consumer account held by the recipient of the  
19 benefit.

20           “(C) RULE OF CONSTRUCTION.—No provi-  
21 sion of this paragraph may be construed as—

22           “(i) affecting or altering the protec-  
23 tions otherwise applicable with respect to  
24 benefits established by Federal, State, or  
25 local law; or

1 “(ii) otherwise superseding the appli-  
 2 cation of any State or local law.

3 “(D) ELECTRONIC BENEFIT TRANSFER  
 4 PROGRAM DEFINED.—For purposes of this  
 5 paragraph, the term ‘electronic benefit transfer  
 6 program’—

7 “(i) means a program under which a  
 8 government agency distributes needs-tested  
 9 benefits by establishing accounts to be  
 10 accessed by recipients electronically, such  
 11 as through automated teller machines, or  
 12 point-of-sale terminals; and

13 “(ii) does not include employment-re-  
 14 lated payments, including salaries and pen-  
 15 sion, retirement, or unemployment benefits  
 16 established by Federal, State, or local gov-  
 17 ernments.”.

18 **SEC. 1111. REDUCTION IN BLOCK GRANTS TO STATES FOR**  
 19 **SOCIAL SERVICES.**

20 Section 2003(c) of the Social Security Act (42 U.S.C.  
 21 1397b(c)) is amended—

22 (1) by striking “and” at the end of paragraph  
 23 (4); and

24 (2) by striking paragraph (5) and inserting the  
 25 following:

1           “(5) \$2,800,000,000 for each of the fiscal years  
2           1990 through 1996;  
3           “(6) \$2,380,000,000 for the fiscal year 1997;  
4           “(7) \$2,240,000,000 for each of the fiscal years  
5           1997 through 2002; and  
6           “(8) \$2,380,000,000 for the fiscal year 2003  
7           and each succeeding fiscal year.”.